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THE NAFTA  
TAPES

# Maclean's

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# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE SEPTEMBER 21 1992 VOL. 128 NO. 38

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## COVER

### HELP FOR THE HEART



*Cardiovascular diseases that cause heart attacks, strokes and hardening of the arteries killed more than 78,000 Canadians in 1989. Health officials estimate that they cost the nation more than \$17 billion every year. But a Finnish study that links heart disease with the amount of iron in the body may offer new methods of detection—and prevention. —43*

## SPECIAL REPORT

### THE NAFTA TAPES

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## FILMS

### BRAVE NEW WORLDS



*Toronto's Festival of Festivals, the most important film extravaganza in North America, features a dazzling roster of stars—including Billy Crystal and Robert Redford—while offering movies, many of them Canadian, that challenge commercial formulas, scandal tobacco and official history. —54*



# LETTERS

## Death sentence

Not even in your coverage of Somalia, I think the drought in southern Africa, do you lack the tongue-in-cheek. In the 1920s, I recall scenarios predicting the situation that would arise in Africa, if a systematic, universal program of family planning was not implemented. For more than two decades, projects giving this choice to the people of the Third World have been obstructed. Under President Rezaul Karim all aid to family planning projects was curtailed. The people of Somalia will continue to die because it is now too late to put back the clock. As the human species breeds itself to the point of extinction, the Right-to-Life has become a sentence of death.

Jennifer Dickson,  
Ottawa

While your cover story on Somalia gives the reader as much as to what is happening in that country, it comes a little too late—as with the rest of the media reporting on that calamity. Hundreds of Somalis are dying every day and frustrated relief workers have been expelled desperately for assistance since early last year, but the media/charity to divert your attention to the situation in Somalia. Now, the food and medicine arriving again is too late. I applied Rita-Gon Lewis MacKenzie of the Canadian Press who, as the senior contributor to the 19th March in Somalia, had the courage and foresight to speak out, in spite of the criticism leveled against her remarks that the UN force would be put to much better use in Somalia—where they are wanted.

David Fawcett,  
Port Cyrenell, B.C.

## A study in contrasts

As I read of the desperation of the Somali people and their cry for help, I found it ironic to read of Peter Nygard's lavish 250,000-square-foot "home" in the Bahamas, complete with five volcanoes and waterfalls ("No place like home," *Opening Notes*, Sept. 3). My admiration for him must have been hindered by the need of his help for the underprivileged, whether in Canada or abroad. Surely there are now appropriate measures of success for those who have achieved a level of greatness.

Karl Plonick,  
Sherwood Park, Alta.



Somali woman comforts her husband and child: 'Too late to put back the clock'

## Canadian elite

It seems that you have discovered the essence of Canada's best kept secret, the National Defence College in Kingston, Ont. ("Back to school," *Opening Notes*, Aug. 20). I have in personal knowledge of Bruce Macdonald, however, if he has managed to survive to the Prime Minister's Office for eight years, it is one of the officials well at ease. That, however, is not why I felt compelled to write you, but on your timely perspective on the word "elite" as it pertains to us. During the year, 1980 fellows will visit all 10 provinces and both territories and be lectured by dozens of participants in the everyday business of living in these areas. Through this they gain a unique understanding of the country of ours which, if it could be communicated to the whole of the population, would quickly replace our random past few lucky ones we are brought in Canada. We could use more of that sort of elites.

John McGee,  
Cambridge Bay, N.W.T.

## Homegrown hemlines

I read with interest your recent piece on longer hemlines ("Going to new lengths," *Pulse*, Sept. 34). You certainly give your readers some very useful insights into the way we are manipulated by the yuppie fashion industry that blames itself for choosing to not buy that of a model wearing an outfit by a U.S. designer. Surely you are aware of the fashion longer looks our one Canadian designer have to offer. Macdonald's is a uniquely Canadian publication award, for the most part, of Canadian. Why would you not take this opportunity to provide some background in-

ent? Since it is a very prestigious line in the life of our Canadian fashion industry, one would think a publication like *Maclean's* would go to some extra lengths in order to provide it.

Joanne Zink,  
West Vancouver,  
British Columbia,  
Toronto

## Another perspective

Peter C. Newman provided a thoughtful, historical perspective on Brian Mulroney in comparing him to John A. Macdonald ("Brian Mulroney as the new Macdonald," *Business Weekly*, Sept. 7). Because Mulroney comes across on TV as a pompous, self, it is all too easy for commentators to take cheap shots at him. He deserves respect for his tough, consistent stand on the GST and free trade and for grappling with the constitutional issue. Items to Newman for illustrating the other side of a dynamic Canadian leader.

Ch. Stephenson,  
Windsor, Ont.

It is getting a little monotonous since Mech Lala is constantly said Peter C. Newman's strongly gendered comments pertaining to our Prime Minister Brian Mulroney as the country's savior? There are other alternatives for more appropriate that I can think of—some of which come even close to describing him in political material.

Pat Johnson,  
Victoria

Letters are not published. Please include name, address and daytime telephone number. Letters to the Editor should be sent to: *Maclean's*, 1100 St. Patrick St., 777 St. Patrick St., Toronto, Ont. M5P 1K6. Tel: (416) 593-7777.

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# OPENING NOTES

Justifying a country, eyeing a London job, and memories of Maine

## TYPECASTING

**D**an Aykroyd's role in the new movie *Swissies* has a reflection in real life: In the movie he plays a technology junkie who specializes in electronic surveillance of the streets. The Canadian-born actor just star of the popular *Ghostbuster* movies protects himself from the public and from entertainment-industry competitors with an arsenal of the latest state-of-the-art electronic surveillance equipment. "I've got a public profile," Aykroyd told *Maclean's* recently. "and I also have scripts and ideas that I need to keep secure." For protection, he has confined his Los Angeles office the calls in his "industrial center" with infrared video cameras, hypersensitive microphones and laser-equipped alarms. Similar equipment guards his barn in eastern Ontario, the facilities of which he describes only as being somewhere between Montreal and Toronto. (In fact, it is just outside Kingston, Ont.) "I go on night parade sometimes—just better sweeps without flashlights," Aykroyd said, adding, "Look, everybody knows where my barn is. But we're ready for them when they come." Asked who "they" are, the actor disappeared. "Anybody."



Multi-ton naval supply ship *Proton* and its 300 crew members set sail for Florida's Basil Canyon, which took the latest at last month's Hurricane Andrew. The ship, along with 60 military engineers, are joining a massive U.S. relief effort—born as a consequence of 27,000 American soldiers in the devastated southern coast, working with an army

of private contractors and volunteer construction workers to help rebuild hospitals, schools and community centres that were damaged by the powerful hurricane. Why is Canada helping, too? "The Canadian space has experts in disaster relief," said Terry Galy, a spokesman at the Canadian Embassy in Washington. "It's what neighbors do for each other."

## FRIENDS IN NEED

**T**he Middle East, Africa, Asia. In that order around the world, Canada has an admirable reputation as a donor nation, sending money, food, medicine or troops whenever they are needed. But since Florida? Last week, the

## POP MOVIES

Top films in Canada, ranked according to boxoffice receipts during the seven days ending Sept. 10. (In brackets: number of screens/weeks showing.)

1. *Presidents in Power* (PG) \$712,100
2. *Shogun* (PG) \$592,000
3. *Single White Male* (PG) \$325,000
4. *Death Becomes Her* (PG) \$252,400
5. *A League of Their Own* (PG) \$248,600
6. *Pat Sempley 2* (PG) \$206,400
7. *Twilight* (PG) \$196,700
8. *Love Is the Drug* (PG) \$182,300
9. *21 Days* (PG) \$163,400
10. *Two Fists* (PG) \$90,500

Source: Motion Picture Association of America

## The medium and the message

**T**hey call themselves just a bunch of People for Canada, and their objective is to promote Canadianism only. Their mission means, posted at an unusual city walk, with all-glass silver-colored "visions for one Canada." Founded in March by Toronto lawyer David West and about 30 friends, the nationalist group has already completed two tours in Toronto. Its next best place to continue the campaign will be elsewhere in other Canadian cities—they don't feel enough volunteers and walls. Said West, 28: "We just want to bring attention to what's great about the country." Text of the group's mission for trying to avoid a breakup of Canada:

1. The Queen already has enough brotatoes on her hands.
2. What would we do with all our Canadian T-shirts?
3. "This land is your land, this land is my land, from Kelowna to Cornwall," sounds fine.
4. We like bilingual cereal boxes.
5. Canada Day would have to become "Canada's & Our Diverse Society Day."
6. Where would our prime ministers come from?
7. We'd have to relocate the words to O Canada.
8. How else will we support the United States?
9. Canada's is easy to spell.
10. It would be unfortunate to make federal aid requests that often.

## HARD-TIMES BROKERING

**W**ith the economy in deep recession, Edmonton-based White Gold Ventures has raised \$500,000 to launch a chain of what company executive David McLachlan calls "T-shirt-style paraphernalia as big as department stores" as suburban malls across Canada. McLachlan says that the spacious shops will offer an ambience far removed from the seely discount outlets of most purveyors, and predicts that the chain, called Cash Canada, will enter competitors with liquidated stock to sell or put up as collateral for loans. "People pawn everything these days, from bicycles to cars," adds McLachlan. The company already has a practitioner of the liquidationist philosophy in William Cowie, chairman of the Brick Warehouse furniture chain, who recently agreed to stake \$125,000 in the future of Cash Canada.



## LONDON CALLING

**H**is became a media star last year when his band *Way 2 Sexy* was featured in North American television from the western Middle East. But last month, journalist and Calgary native Arthur Kent, nicknamed "the Soul Snaf" during the Gulf War, went on the offensive against his employer, CBC News after releasing an assignment in Saudi Arabia. CBC, unimpressed with Kent's story, saying that he was "unable to work within a supervisory and collaborative environment." Now, Kent, brother of CBC associate Norma Kent and former anchor Peter Kent, is out of work—but perhaps not for long. On Sept. 8, he met with CTV president John Casaday in Toronto, and he may be moving to London as CTV's new chief Canadiana would announce at that point, but he told *Maclean's*: "We agreed that we would get back in touch if he was interested in chatting further and if we were successful." Casaday has clearly not been scared off. Kent is the portrait of the journalist as a true liberator: "Arthur is an outstanding individual," he said, "and would be a tremendous asset to our team."

## Presidential mementoes

**F**or nearly of the 1992 presidential election campaign, George Bush has been under attack for his handling of the recession-battered economy. But many of the residents of Sunnyside, Me., one of the Bush family's summer White House, appear delighted with the President's economic record. Not only has tourism in the town doubled since Bush's 1988 victory there, but local small businesses have, in well, for \$6 per person, visitors to the picturesque seaside resort can take a carriage ride through the town past such landmarks as the sprawling Bush compound at Millard's Point and the golf course where the



President plays during vacations. Local shops also do a thriving trade in souvenir items—such as refrigerator magnets, coffee mugs and sweatshirts—bearing the name, address and telephone number of the President, First Lady Barbara Bush or Mike, the family's pet English Springer spaniel. The most popular item, says shop owner Les Mosher, is a golf ball embossed with the presidential seal. "They're selling like hotcakes. We've sold hundreds of them," Mosher said. As the campaign heats up, Mosher is keeping a close watch on the polls. "I don't know what we're going to do with all this stuff if Bush loses," he said. Mosher confided: "I guess we'll have to have a really big sale."

## PASSAGES

**DEB:** Siggy Biskar Eaton, 78, mistress of the Eaton department store, was one woman who was suffering a stroke, at two country houses north of Toronto. She was the widow of John David Eaton, president of The T. Eaton Co. Ltd. and grandson of company founder Timothy Eaton. Siggy and John David Eaton had four sons: John Craig, chairman of Eaton's of Canada Ltd.; Eaton president George, a former race-car driver; Eaton vice-president Thane, a horse breeder; and Peter, Canada's high commissioner in London. Siggy Eaton long played a major role in the family business.



**DEB:** Longtime senior federal civil servant Mark McChang, 51, of cancer, in an Ottawa nursing home. He was best known for an influential 1984 report, assigned by then-Prime Minister Leonard Chretien, recommending that the federal security-service functions be transferred to a civilian agency. Widely ignored by senior Ottawa officials, McChang's proposal finally reached fruition in 1994 when the Liberal government of Prime Minister Pierre Trudeau approved the creation of the Canadian Security and Intelligence Service. McChang, youngest and last surviving offspring of author and pioneer women's-rights activist Nellie McChang, also served on the 1970 Royal Commission on the Status of Women.

**DESIGNED:** Controversial baseball commissioner Ray Vincent, 54, under pressure from the 28 minor-league team owners, who had expressed disapproval of his speculative investment in the *Baywatch* season. Analysts said that they expected the owners to appoint a replacement with severely diminished authority. Vincent's total net worth: \$2,677,000.

**DEB:** A 25-year-old male, whose identity has not been disclosed, after living for 71 days with a transplanted human liver, at a brain hemorrhage, at a Pittsburgh hospital. Three days after the patient died, doctors announced that he had been infected with the same virus. His June 28 operation was the first ever animal-to-human liver transplant.



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### COLUMN



## A disgrace in 'The Beloved Country'

BY DIANE FRANCIS

**I**t is ironic that the highest-profile assassination in South Africa's stormy history was in 1996 when a man stabbed white Prime Minister Hendrik Verwoerd, an embittered supporter of racist apartheid laws, to death. The assassin, who was of mixed South African and African descent, firmly believed that he was white. But he was unable to get anything except the most menial jobs in South Africa because he was classified by racial officials as "Colored." If he had obtained the previous "white" classification, the assassin would have enjoyed extraordinary privileges under apartheid. *Coloreds*, under that earlier system, were condemned to certain occupations, certain living quarters, less generous social entitlements—and as a result, lower living standards. The self-described white man, according to his *Colored* or blacker, murdered their oppressor.

Now, barely 25 years later apartheid or separate development for races, slowly unravels. But not quickly enough, which is why mass demonstrations and general strikes continue to plague the country, as blacks demand that the government immediately hand over power to a transitional administration. The situation has deteriorated over the summer because none of the factions trust one another—hardly surprising given centuries of bloodshed and tyranny. Negotiations to create a new power-sharing government ended after a June massacre in Beaufort, outside Johannesburg, of 52 blacks and six associates of white police involvement. And last week, another massacre occurred in the Caledon region where soldiers fired on an unarmed crowd, killing at least 28 people and wounding hundreds of others.

That is all the more unfortunate, given the encouraging sign in March 1995, when the "tribe" in power, the whites with only about 34 percent of the population, agreed overwhelmingly to a referendum to negotiate a new government with blacks and others. The referendum was called by outgoing State President

White, like it or not, must make a leap of faith and form a partnership government with blacks. And blacks, like it or not, must deal fairly with whites to preserve the country's wealth-creation machinery because, as opponents to apartheid have been, South Africa's blacks are economically better off than their counterparts in black-ruled Africa. The gross domestic product per capita for blacks in South Africa is \$1,200 a year compared with about \$486 in Zimbabwe and only \$20 in Ethiopia, according to David Graaff, South Africa's deputy minister of trade and industry. "There are more engineers and doctors, more black millionaires here than the rest [of Africa] combined," he said. "We cannot live without one another. The alternative is chaos."

That is true, but the gap between rich whites and poor blacks must close as quickly as possible. Not far from the restaurant where I interviewed Graaff at Cape Town is a squalid "camp" where people live in makeshift tents, cardboard boxes and huts made out of everything from cardboard to planks pilfered from garbage dumps or white backyards. Dramatically, across a highway is a better "roughshod" that three blacks occupy: the fashionable Cape Town Tattler Club where horses are housed in stables, dry stables made out of attractive brown-blacks with its roof and landscaping.

**South Africa's whites must make a leap of faith. And blacks must deal fairly with whites to keep the wealth-creation machinery**

Afraid countries underestimate the fact that blacks, *Coloreds* and *Indians* have suffered terribly under apartheid. And housing will be a huge problem for the next black-white government to solve. Unfortunately, the cost of providing basic shelter for everyone is twice the current annual gross domestic product of \$120 billion. There is also the education divergence to close up. The white regime earmarked \$1,574 a year per capita for whites, \$1,180 for East Indians, \$550 a year for *Coloreds* and just \$380 a year for blacks, said Graaff. "Obviously, white schools with tennis courts and swimming pools were better."

Unfortunately, say new governments is condemned to uprooting both blacks and whites. That is because whites must pay higher taxes for fewer government-beneficiaries *apartheids*. And many blacks will be upset if a new black regime does not help them catch up to whites accordingly, even though that is impossible given the economic, stability, lack of investment, drought, damage caused by years of massacres in protest apartheid, and low gold prices. Besides, if the whites are suddenly considered as the commonwealth by a new black regime, they will pay social costs up spending, which will come in drops with their capital. Said Graaff: "After Algerian independence, more 1.1 million French left within six weeks, and the economy in that country collapsed by 36 percent."

Clearly, whites will stay in, rather than leave, which means that things must be better out of control. Negotiations were impossible at this point because to work, they require trust among those who have not trusted or liked one another for decades. That is why independent arbitration is the answer. Alterations are unthinkable.

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## THE LAST DOWN

WHY DONALD GETTY  
WILL RESIGN AS  
ALBERTA PREMIER  
AFTER THE OCT. 26  
REFERENDUM ON  
THE CONSTITUTION

During his seven years as the Conservative premier of Alberta, Donald Getty was almost as well-known for his private passions as for his political stunts. An avid golfer, duck hunter and once-horse owner who insisted on taking several month-long winter vacations at Palm Springs, Calif., even during political crises, Getty drew frequent public criticism from opposition politicians—and private grumbling from party members—who accused him of putting recreational interests ahead of his duties as premier. But with his surprise announcement last week that he will step down as premier by year's end, Getty has put those controversies behind him. Not before he returns, the 59-year-old former crick, quarterback, plans to wrap one last campaign—in a fight that could well determine his place in the nation's history books. Getty, who played a critical role in fashioning the constitutional proposals that will be put to a national referendum, realised that he will remain politically active for at least

the next six weeks. Declared Getty: "I am looking forward to campaigning as the referendum will seem to fit the people of Alberta know all about the package in the Oct. 26 vote."

Getty's decision to retire just as the campaign begins in earnest unleashed a heated debate over how his departure would influence the vote in Alberta. Provincial Liberal Leader Lawrence Deane, who supports the second bid whose party currently leads the opinion polls in Alberta (Liberals 41 per cent, Conservatives 36 per cent, M48 27 per cent), declared that Getty had made himself a "lame-duck" at a time when a strong presence is needed to promote the constitutional package to Alberta voters. Getty had assured the "yes" by defusing the potential for voters to register their anger over the premier, who is in low in the polls, by voting against the accord. Said Martin: "It will force people to think more about the package and not about Don Getty."

That is a view clearly shared by many federal



Conservatives, who fear that Alberta is the most likely province outside of Quebec to reject the constitutional initiatives. Said Albert Gaeper, Conservative MP for the north riding of Peace River: "Getty has now made his own reputation and personality a central focus in the campaign—and that gives him some credibility."

Getty's determination to champion the constitutional accord will position him squarely against Reform party Leader Preston Manning, who last week announced that his party will urge Canadians to vote "no" in the referendum. On the day after Getty's announcement, Manning said that a victory for the accord's supporters would only lead to further demands for new powers from the provinces and further rounds of constitutional wrangling. By contrast, Manning maintained that a negative vote could mean that Canadians seek a moratorium on further constitutional negotiations at least through the life of the next Parliament. In a subsequent interview with Manning's, Manning said that he will lead his campaign against

the constitutional package for different regions of the country. In Ontario, where he will lose this week, he will argue that the pact weakens the economy by preventing further political uncertainty. In Western and Atlantic Canada, he will highlight his assertion that the accord does not substantially improve the representation of less populated provinces in federal institutions.

The Reformers are portraying Getty's decision as a sign that the referendum may be in

er were quickly tanked after he took over the leadership of the party in 1983. Crippled by a collapse in oil, gas and grain prices, the province's accumulated debt grew from near zero to \$14 billion under Getty's stewardship.

His government also severely attacked for losing over \$1 billion in business investments, including its 1983 purchase of a private cellular phone company, NewTel Communications Ltd., which it sold earlier this year at a loss of \$546 million. In fact, some analysts said that the expected income for the month of the provincial auditor general's report on the NewTel affair may well have influenced the timing of Getty's decision to resign. Said University of Alberta political scientist Gordon Danks: "His way will tend to deflect some of the criticism that will undoubtedly come his way."

The government's financial troubles, together with a perception of Getty as a less leader, took its toll. According to a July poll by the Angus Reid Group, 66 per cent of Albertans disapproved of his leadership—a rating that has remained constant for over two years. Observed Angus Reid, following Getty's announcement last week: "I really believe that Albertans came to view Getty as a figure who was out of touch with the centre of gravity of public opinion in Alberta."

The disaffection was clearly shared by many party members, including some cabinet ministers. On the day that the premier resigned, a senior minister said in the Getty government told Manning's that "there is a lot of

red around here and a feeling that we are not doing as well as we should in the next election." At the same time, others said that Getty had been under pressure to resign from some members of the party who were upset with his leadership—and his support for the recent constitutional package.

In the coming weeks, the likely Conservative leadership candidates, including at least six cabinet ministers, will face pressure to take a stand on the referendum. Most of them will likely keep their hands off Getty. Said Danks: "All of these people presumably participated in the cabinet discussions that led to the endorsement of the accord. It is not their credibility if they do a sudden about-face." Even so, the prospect of a leadership race adds a new and unexpected twist to what promises to be a volatile referendum campaign.

BRIAN BURGESS and JOHN HODGE  
in Calgary and E. KATE FULTON in Ottawa

## National Notes

## DISASTER IN THE FIELDS

Elwyn Getty, Minister Donald Manning, said that Ottawa is prepared to offer emergency aid to western farmers, many facing financial disaster. An unusually early, rainy summer delayed the growth of many crops, while some rain fell in some areas, but not in others, are threatening the harvest. According to the Saskatchewan Wheat Pool, only 23 per cent of that province's wheat crop has so far been harvested, compared with 74 per cent at this time last year.

## CALLING IT QUITS

Former Nova Scotia Liberal leader Vincent MacLean announced that he is resigning his Cape Breton South seat. MacLean stepped down from the party leadership in March after facing months of widespread criticism within his party.

## EDMONTON HORROR

After a 16-hour search, the body of a 59-year-old former Conservative MP was discovered in a local industrial lot. Police say that she was abducted from a neighbour's yard by a dark-haired man. Autopsy results showed that she had been sexually assaulted and strangled.

## CLOSING THE PORTS

A U.S. commercial fishermen threatened to blockade the province's ports to force ongoing talks against before fishing rights. The fishermen claim that Ottawa's June decision to allow some new boats to harvest salmon before they reach their spawning grounds is endangering the salmon fishery.

## NO LEAVE TO APPEAL

The Supreme Court of Canada denied Second World War criminal Jacob Lasker leave to seek his deportation order. Lasker, a former military officer at the University of British Columbia, is facing deportation to his native Netherlands, where he was convicted in 1944 for collaborating with the Nazis. Ottawa stripped Lasker of his Canadian citizenship last year.

## JUDGING THE POLICE

According to a Metropolitan Toronto Police Services Board report, racial hate exists within the Toronto police department—although the report added that there is no evidence of overt racism. It noted that while recruits may enter the force with an inborn dislike for people, over time they tend to "develop strong feelings and beliefs as to attitudes of individuals based on factors such as appearance and racial background."

CANADA  
WATCH

Marshall Andrews' trial of the Attorney of the House, that the referendum will be held in 1992.

A Reform Liberal, leader of Ontario's single party rights. Getty says that he will support the constitutional agreement in spite of concerns that it offers inadequate protection for minority language rights.

## QUOTE OF THE WEEK

"We will have to work hard together, New Democrats, Liberals, Conservatives. And believe me, for me that will be difficult."

—Liberal Deputy Leader Brian Gwynne, commenting on the "yes" campaign

a Canadian Herald agreed to demands by Bolivia



# The big-picture planners

Political veterans spread the 'yes' message

The Prime Minister's message was blunt. Speaking privately to his Conservative caucus in Ottawa last week, Brian Mulroney outlined the structure and strategy of the "yes" campaign for the Oct. 26 national referendum on constitutional reform. According to one participant, Mulroney warned that any attempt to take advantage of the process to score partisan points could open the cause. "This is not an election," Mulroney declared. Still, the fight to win re-election at last month's constitutional package will resemble an election campaign in several respects: there will be massive television and print advertising, broad media coverage—and most of the men and women who are organizing it are seasoned veterans of past federal and provincial political battles.

Indeed, when the government began to implement its referendum strategy early this month, one of the first appeals from the Prime Minister's Office went to Barry Neuf, the Conservatives' general manager of speeches in the 1984 and 1988 federal election campaigns. Neuf, who works between elections as an Ottawa-based energy consultant, will serve on the newly established Canada Committee Secretariat, the key group co-ordinating the efforts of a broad spectrum of national, provincial and local groups in the national campaign. Representing the opposition parties as the secretariat is current Liberal election campaign director Gordon Ashworth, as well as Jim Campbell, chief of staff to new Leader Audrey McLaughlin.

Each of these men will be able to draw on a wealth of political expertise as they attempt to sell the constitutional package that Mulroney, the 18 premiers, two territorial leaders and four retired representatives signed at Charlottetown. Neuf, for one, is well-versed in communications advice from William Ivis, Mulroney's former press secretary and now Neuf's partner in the Barncliffe Strategy Group, an Ottawa lobbying firm. The Liberals, meanwhile, intend to enlist another Barncliffe partner—Michael Robinson, a former Liberal Liberal election director. And Peter Martin's campaign manager is the 1980 Liberal leadership campaign. But although political skills will clearly prove valuable in the battle to rally support for the constitutional package, Neuf adds that partisan loyalties will be put aside for the no-week campaign. "We should not be regarded in the voice of government," said

Neuf. 45, he added. "We are sitting with, or on behalf of, people of all political affiliations who support this deal."

Last week, as Neuf was enthusiastically approved the referendum question—"Do you agree that



Mulroney with chief of staff Hugh Segal. Ashworth (below): a wealth of experience

the Constitution of Canada should be renewed on the basis of the agreement reached on August 28, 1992"—the "yes" campaign secretariat forged ahead with its plans. Its first

task to establish an overall national Canada Committee—and to persuade two prominent citizens to serve as chairpersons. Among those being considered are former Liberal senator and Liberal party stalwart Yves Fassin and former Conservative Alberta premier Peter Lougheed. Derek Burrows, Canada's ambassador to the United States and Mulroney's former chief of staff, is another candidate.

Provincial "yes" campaign committees will also be established, as well as an all-party committee and local riding committees, each of

the three major political parties will also set up "yes" campaign organizations. Tasks will be divided with business groups such as the Business Council on National Issues and grassroots groups like the Calgary-based Together for Canada Committee, of which Laughlin is also a member.

In addition, Neuf and his colleagues are attempting to set up an advisory committee composed of former high-profile politicians from all parties. Among those who may be approached to take part: former Liberal Tory leader Robert Stanfield, former Conservative premier William Davis, former Saskatchewan

Liberalism vice premier Allan Rock and Jack Pickens—who served as a cabinet minister under former Liberal prime minister Louis St. Laurent and Lester Pearson.

But in Quebec, the federal "yes" campaign organizers are working primarily behind the scenes, deferring to Premier Robert Bourassa's Liberal party machine. Under provincial legislation, Quebec has to hold its own referendum on Oct. 26, although it was not last week that Quebecers will be asked the same question as other Canadians. Federal strategists say that Mulroney and his fellow Quebecers. They insist that they will campaign actively for the "yes" vote in their home province. But they add that involvement by politicians from other parts of the coun-

try would be seen as interference in Quebec affairs—and would only add fuel to the "no" campaign orchestrated by the Parti Québécois, dissident members of the provincial Liberal party's youth wing and high-profile Quebecers such as Jean Charest, an issue from his position as chairman of Ontario Inc. But one source close to the Canada Committee Secretariat: "The best thing Ottawa can do is to leave the [Quebec] organization up to the people who know how to do it—and that means knowing themselves best."

But the "yes" campaign in Quebec and the rest of Canada will have at least one strategy in common: a caution. Success is expected to come that a "yes" vote would bring years of constitutional debate to an end. Last week, he recalled that choice in the National Assembly, saying that while some will likely be future constitutional negotiations, approval of the Charlottetown package would create a climate of "political stability." That will be an equally potent argument for the "yes" campaign in the rest of Canada, according to Catherine Barr, a political scientist at Wilfrid Laurier University in Waterloo, Ont. She says that, who studies voter behavior and polling. "A strong message will be the message that we have got a lot of other things to do. They will say that if you vote 'no,' you are facing a number of years of further debate."

Some observers say that the broadly based nature of the federal referendum campaign may prove to be highly effective. Says Sean Moore, former president of the Ottawa lobbying firm Public Affairs International. "This broadens the perception that there is wholehearted support for this agreement." Added Hershel Korn, who served as principal secretary to former Ontario Liberal premier David Peterson. "The key choice is inclusion. People have different ways of deciding whether they like something and they want to know what means people with different perspectives think about this." Said Korn, now executive vice-president of a Toronto-based communications firm. "They ask, 'What do people I respect feel about this?' That is what to how they make up their minds."

Still, a resounding vote in support of the constitutional package would clearly benefit Mulroney's Conservatives in the run-up to the next federal election, expected within a year. Some voters might conclude that the party deserved credit for having finally solved Canada's constitutional crisis—although others would argue that Mulroney and his followers created the crisis in the first place. At the same time, a strong "yes" vote could undermine support for the Reform Party of Canada and the Bloc Québécois, both of which have taken into Conservative stronghold and place to campaign against the Charlottetown accord. But giving Mulroney and the Conservatives a political boost might well give pause to some Canadians preparing to mark their Oct. 26 referendum ballots.

GLENN ALLEN with  
ANTHONY NELSON SMITH in Ottawa



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## THE NAFTA TAPES

For the second time in four years, the federal government is facing a major political battle over free trade. Last month, International Trade Minister Michael Wilson spent a new North American Free Trade Agreement (NAFTA) with the United States and Mexico, which if ratified would create the world's largest free-trade bloc, with 370 million consumers. At the outset of the 1982 general election, Prime Minister Brian Mulroney's advisers tried to play down the significance of the then-unratified Canada-U.S. Free Trade Agreement—but the strategy backfired and nearly cost Mulroney his job. This time, the Conservatives appear to be taking a far more aggressive approach to selling free trade. On the following pages are excerpts from a transcript of a telephone conference call involving more than a dozen senior ministerial aides on Aug. 26—see it as a series of wry discussions among Tory advisers that are nervously signed and unscrupulously leaked for future reference. The transcript, a copy of which was obtained by Maclean's, reveals that the Conservatives have organized an offensive, and easily, strategies to convince Canadians of the need for NAFTA and to discredit its opponents, particularly Opposition leader Bob Rae. Canadian Labor Congress president Bob White and Council of Canadians head Neelke Doorn.

Mixing confidential poll results and other private details with cynicism and dark humor, the aides discuss plans for a series of free-press "debates," or resolutions, a \$1.5-million purchase of radio advertising time, a succession of trade conferences in major cities and a computer drive to keep track of the deal's critics. One of the key participants also explains how Mulroney's aides are using a controversial idea to become active in the free-trade drive, adding that the issue is a "slipshod" tactic, of around, could threaten the party's chances for reelection.

The conference call's organizer was James Ramsay, a senior Tory minister and Wilson's right-hand man. Also present were several key aides, including Michael Wilson's assistant, James Fraser, Wilson's special assistant to the prime minister, and International Trade Minister Michael Wilson's assistant, James Fraser. Wilson's special assistant to the prime minister, and International Trade Minister Michael Wilson's assistant, James Fraser.

James Ramsay: William Crooke, chief of staff to Prime Minister John Crosbie; Margaret LaFreniere, deputy chief of staff to the Prime Minister's Office; Susan Niquay, chief of staff to Wilson; Economic Development Minister Charles Meyer; Greg Elie, chief of staff to Finance Minister Michael Maniatis; Michael Desrochers, executive assistant to Small Business and Tourism Minister Thomas McLeish; Marc Storr, special assistant to Labor Minister Marcel Desautels; and Michaela MacNeil, Desautels' communications assistant. MacNeil's confirmed the date of the conference call with three participants and the existence of a transcript. Crooke:

Ramsay: I'd like to start with you out in British Columbia. How did your session go in Victoria? It's Trish Vance from Tina Siddons's office. I did get an update on the Michael Hancock briefing yesterday. I think there was about 50 business people in attendance. I saw quite a few and it was very helpful. Ramsay: How would you report on B.C. reaction to date on NAFTA and free trade? Vance: Not a lot of coverage. The minister himself has done some local interviews and we've had very little coverage as far as the NAFTA aspect. We're going to have a NAFTA breakfast the second week in September and invite the media and, yes, press, try to get some coverage that way. Ramsay: OK. As you know, we want out with some polling, a sample of L508. I think it was, in April, Canada-wide. It showed that we only had 30-32, 27-per-cent support for NAFTA. Well, we just completed our second survey. This week—1,500 people, all across Canada, up to a 45-per-cent survey, a massive one. And I've got some good news for you.

On the [Canada-U.S.] Free Trade Agreement, we had seven per cent strongly support it and now we've gone to 10. Moderately support we had previously 30-32 per cent, we've now gone to 35. We've got 45 per cent support for free trade.

The other thing, with respect to NAFTA—promoted, in April, we had no net opinion, support it. We've now gone to 16. Somewhat support was 25. We've now gone from 23 to 39. Somewhat opposed has strengthened from 21 to 24, but strongly opposed has dropped from 49 to 24.

So the good news is, the bottom line is, that we're right out in the battle again. But you know we've been pounding away at this prior to the NAFTA announcement, with our TV commercials, with positionals, libels, etc.—like this. We've got where we set by pounding day in, day out—speeches, opportunities and everything else like this. And we'll be going out with our radio commercials, a massive radio buy, \$1 in Portland, and a week where we'll be hitting with another tabloid.

And our strategy, again, just to repeat it, is to kind of go... from NAFTA into free trade into prosperity. Any comments on what I've just said? Ramsay: Do you have a regional break on those numbers? Do we have any specific trouble spots like B.C.?

Ramsay: We'll be able to do it, province by province. We've got a lot of good breakdowns—social, economic and everything else like this. So, it's very helpful to us as targeting. We do find in the survey advertising experience and there.

Unidentified: We could encourage members to send their 10-per-cent [10 per cent] of their... according to government polling, strongly support NAFTA. To specific parts of their riding. That would be helpful.

Ramsay: We'll do that. We're being getting the liberal changes over to 1994. They're going to... Meanwhile, we are seeing some articles and letters starting to come out by what I'll call that old left-wing, crypto-communist, and free-trade, NDP-Liberal, no group. They're starting to write letters alleging plots, the dollar and everything else like this. For example, I saw what that George Ford of P.E.I. [Liberal] for Westchester has slashed.

Fundamentally, we must every single rep-



tion-story and letter to the editor answered. That's our bottom line. It's how we want to turn this into a winning election issue. Atlantic Canada, making them there on the phone here?

Marjory Mabey: Yes, Jim, it's Marjory Mabey from Elmer, New Brunswick. We've followed that story that George Ford had in and I'll certainly see...

Ramsay: Thank you, anybody else got anything to report? British Columbia?

Unidentified: Well, there is one thing. Ken George's [president of the B.C. Federation of Labor] in today's paper saying that there ought to be a sentence of social tariffs on Mexico, that they would be allowed to export [only] if they metched their environmental and social benefits to the workers.

Ramsay: Oh. Anything to prime Mexico like one of the market.

James Ramsay, chief of staff to International Trade Minister Michael Wilson:

'We are seeing articles and letters starting to come out by what I'll call that old left-wing, crypto-communist, anti-free trade, NDP-Liberal con group.'

'Every time Bob Rae and Bob White get out there blasting us, we go up.'

Crooke: Jim... responding to articles in the media, you know, [John] Crosbie would be delighted to respond.

Ramsay: Thank you. Yeah, I think that applies, for example, in Newfoundland, what comes from Crooke.

Unidentified: What do you think? Crooke: I guess in some instances it would be better to have Mr. Wilson, I mean, Crooke is in the paper on credit too. So, sometimes it's useful to have another member saying the same thing.

LaFreniere: Jim, I just have a question... Has the math of the long left that came out the first day of the announcement, does that precipitate anybody... coming to our aid?

Ramsay: I don't know... There's no doubt that that party's support is the best thing we've got—it's what sells best. We've got a lot of third-party support organized nationally. I can't condense writing to all of our support.

ers. We've got most of the big contributions out now. We've got a lot of help. But we're kind of pushing that out about every day to keep the ball rolling.

Unidentified: Just as long as they say it, Jim, that's the thing... As long as it's not headline, then somewhere in the story they attribute that to free trade. No, no, no, have you got that much autonomy or control... that you can get these third-party people to say that it's not left to control?

Ramsay: Good point, and we're working on that with them... But I still think the way we're going to win this is just drive a day after day after day. And I think, my God, we're at 45 per cent. When had we last been there? ... Stats, you've recently got some good stuff coming out of the West.

Sidways: I'm sorry, Jim, I'm just back from Indiana... If I had something like I was coming from Western Canada, the more it's less NAFTA and more the basic fundamentals of free trade... We have to go back and recall that whole concept and get the success stories out... The only way we're going to win is to get the message to make it there and make it there at the time.

Ramsay: ... [During the last week in September]... we're bringing back all the trade commissioners from around the world. We'll be doing very large [trade] shows, can't wait to do that in Toronto, Montreal, Vancouver, Calgary... We're not neglecting Atlantic Canada, but we need a different type of show based on response personally.

The idea on the Toronto one would be [that] trade commissioners are there from all around the world... It's been massively covered by the business press. We expect about 1,800 people and a one-day event, and then we get a different show into Montreal, targeted to that area. We put one into Calgary targeted to the oil and gas and other things. This also allows us to reach trade and NAFTA and get a lot of good news.

On governments we've had support from New Brunswick, Nova Scotia, Quebec, Newfoundland supporters, Quebec, Ontario and And that suits us. We did focus groups—on friends of our old focus groups—and they threw the credibility of a number of speakers on that. So, and every time we go to Bob White get out there blasting us, we go up... If you do to a TV announcement—for example, with Wilson—we're going to try to get him in a factory site surrounded by the company president and workers. Much higher accessibility than having a talking head down in the television studio. Right, Jim, it's Greg. Researcher a couple of

words are an apologetic shout, I guess is our first phone call, that we'd be putting some [tariff] modules together here at Phoenix as the trade show. We're just three of them which should be in your backside today. And they're put in a context of, this is part of an overall plan of dealing with the world, it's not just the United States. There was a problem we had to face in the '80s election.

**Ramsay:** ... We'll get it out, Greg. We've also got the StatCan. We're doing some major changes to it, and we're holding that off at the key moment. We'll probably launch it over weeks if there's a quiet day, so which again will give us much more analytical substance for the fact that free trade was.

I think there's kind of a lesson ... To my mind there's no way to do it but to get out and grind it out with them by foot, riding by riding, paper by paper, outfit by outfit, on all the issues. I mean, you've got to figure on a four-month sell.

But as you can see we're moving the numbers and the proof is in the pudding. I'm quite surprised how far they've moved. I guess the opposition have left some empty benches in all and we've been getting in there.

**Ramsay:** It's Susan Ramsay. It's anybody at your table sort of doing an opposition, which not just elected opposition but the Mande Barlow of the world.

**Ramsay:** ... Watching all the opposition ... got the comments by all of them. We've got them on a computer. The big thing is, if we're going to get them to people, we need to know they're going to use them. Because if they're not going to use them, we'll use them. And I know that there's no problem in your area, Susan. I meant that for others.

But we've got it, we've got most of it. I wish we could get more people to use some of the things we've got out there. I think it's unfortunate that probably [at the moment] 25 to 30 per cent of the MPs that we want to see material to have avoided themselves of it.

**Ramsay:** Well, it's going to have to show they start going door-to-door. And then, I'm not sure, I'm not sure. It seems to me that ... the first couple of days of the House coming back are going to be critical. Because ... you know, Susan, what's the day after [from Mr. Stinson] Ramsay from Windsor and that are going to come off as on the first couple of days. I'm kind of nervous about it. I mean, [Wilson] might be over at the middle of September in case the House comes back at that period, because he'll have to be there to knock the ball out of the park a couple of times with [Mr. Leader] Mulroney. And Mulroney and most of the others.

**Ramsay:** It's too bad we can't postpone some of our time to at least look at the material that we've sent them.

**Unidentified:** ... I think there's a little bit of a hill around the party right now that we're doing so well in this [event]. You know, "We just don't have

**Unidentified:**  
"The Mande Barlows of the world may use it as a platform ..."

You know how they jump on every train going to fight the free trade."

**Ramsay:**  
"If they want to come on to this issue, though, we'll give them a real harrower brawl."

to do any more. And of course we know what happened to us the last time we got killed into that. Ramsay: This is just a sleeping tiger here. Do you want to guarantee, Derek, just what it is that we have sent out? Unidentified: All of the ministers received a full briefing book. And then the [senior-level] Parliament received the exact same thing except the Q and it's [questioned and answered] we're a little shorter and more to the point. Then, to field engineers right across the country.

LeBlond: voicing concerns about the 'housey life'



try ... as well as our key party associations, as well as the campaign shows from right across the province. They all received that full set. And then we sent out letters with key points, the highlights, the press release and the statement, to 37,000 business associations as well as 1,800 clubs from across the country. The day that the agreement was signed we wrote to all of those people the press release, the highlights and the statement.

**Unidentified:** Didn't we do 100,000 to somebody, too? Or was that?

**Unidentified:** No, that was 50,000 business.

**Unidentified:** We've also been in contact with 2000 [Business Council on National Issues], the Chamber of Commerce, and they've all got letters and they're taking the material and sending it out to their key people. We've been passing on information to the business' association, the Canadian Engineers' Association. All of these people are on side.

**Ramsay:** ... We've also been calling ... listing Canadian companies. So far we've called 180. I guess all in all, we must have sent out close to a quarter of a million pieces, right? That's in 10 days. So we're taking it pretty hard, but as I say, it's this rifle shot that we need. Any other comments, suggestions? **Dowden:** Mike Dowden here. Can you give us some sort of calendar ... that tells us key dates or events that we can work around in our own regions to make good news on that story?

**Ramsay:** We hope to ... Anything out of Quebec?

**Unidentified:** It's all very positive. The only negative article I saw was that the environmentalists at Quebec wouldn't like the NAFTA.

**Ramsay:** Same thing in B.C. ... But there [in] [Quebec] ... coming out of Manicouagan on Monday as people that are going to be involved, Greg? Greg: Right.

**Unidentified:** Gone for a year. **Unidentified:** How you assess any of the articles from Hamilton? The steel companies seem to be endorsing the free trade deal. It's not like everywhere, but it's not been bad. And also the editorialists we'd have been very good.

**Ramsay:** What are our chances of getting third party opposition active and out in the House? **Unidentified:** ... I'll work on the steel people. We've got some people who have been doing some business, and it seems good news for them. I don't know if they would actually go out there. They feel that they would have lessable to do in such a without the NAFTA deal. But, I mean, obviously, this is going to make things a lot better for them. I'll use what we can do on that top.

One of the quotes, by the way, is ... one of the editorialists, and it sounds good. "If nothing else, the lyrics have once again offered a

choice in economic policy. They have aligned themselves behind the aggressive pursuit of expanded trade to stimulate economic growth and boost competitiveness." That's not what Ramsay's York? Which paper is that?

**Unidentified:** The Hamilton Spectator.

**Ramsay:** Oh, God.

**Unidentified:** I know. They're actually saying something nice in the editorial.

**Ramsay:** Thank you. Anything else?

**Unidentified:** Just one defense note. In The Globe and Mail and in Maclean's they had the

choice in economic policy. They have aligned themselves behind the aggressive pursuit of expanded trade to stimulate economic growth and boost competitiveness. So we should be careful about what they're going to do.

**Ramsay:** If they want to come on to this issue, though, we'll give them a real harrower brawl. We've really felt they've had staying power, that a lot of their influence has come from the fact they've been able to work a vacuum. Harvey Andrews said ... that if we've got to go out in an election we need consensus ... this will be more to assure of you—but we, this is not a bad



Memorex electronics factory: a labor leader's call for new environmental and social spending

water-diversion project is proposed by a Vancouver-based company in British Columbia to the United States.) mentioned last week. And [Ministry Minister] Frank Oberle said in a press release as Monday morning saying that it was nonsense, it was money and the time has come to call the truth in their skills and give five reasons why it's not going to happen.

**Ramsay:** ... In Canada with all the rain we've had this summer we might want to look more liberally to water diversion. We're almost flooded everywhere ... Any other stories?

**Unidentified:** Yes, also taking the obvious, when out of a memorandum campaign starts, co-ordination with ... the NAFTA's concentration ... in going to be absolutely critical, because it'll be a very good second string in Quebec during that period.

**Ramsay:** Good.

**Unidentified:** And of course in the other side of it, I'll, you know, that the Mande Barlows of the world may use it as a platform. You know how they jump on every train going to fight the free trade. So they could cause some problems to a national referendum campaign by

very unhappy. It appears it's going to be having a big contest with Mexico, and it seems to be setting a negative tone for how major Quebec companies can profit from NAFTA. I'm just saying that.

**Ramsay:** Yeah, we're aware of that situation. Wilson spoke in the Manitoba about it and Bonfielder once bought the plot down in Mexico. But ... I understand [Bonfielder] had used very high ... Lucas like they're lost it. Should have used a sharper pen.

**Ramsay:** I have. I said, "My other partner is target a thousand men in Canada to send them something on labor." The idea is that if we can hit the small unions we can defeat the big unions and the others, because we know that they're on the left side and they're not really ... they don't understand nothing.

**Ramsay:** We'll get on it right away. Thank you for letting us know. This is the first we've heard about it.

**Unidentified:** ... I also just wanted to bring up [President George] Bush announced an adjustment program [a \$2 billion-a-year plan to restrain workers who lose their jobs] yesterday, or two days ago ... What it means is that in real dollar terms, not per capita, we're still outspending the US.

**Ramsay:** OK, apart from getting it over to us, are you going to get it out that they're in the case? Because it did get some pretty big play.

**Unidentified:** Well, the other point is that is, too, that of

the \$2 billion, especially \$700 million was old money just misallocated ... and that's our main point. Can we make sure that we're not too critical of that? I mean, that's kind of the policy of this government, that we'd like to see reallocate as opposed to spend new dollars all the time ... I mean, put the facts out there, but I don't think we should criticize them for reallocating.

**Ramsay:** ... We're going to find that Bob White and Mande Barlow and those others lead of company march in the United States, are you [in] Canada, etc., like that. So we've got to be hard on our back right back on them. And by that I mean we're trying to spend it up here. We're taking too long. By the time we ... find out what somebody said and we get our own reply ... it's almost two weeks.

**Ramsay:** I understand, you know that those locations we're living up and the crowds we're going to have there, they could also provide a useful venue for a couple of other messages?

**Unidentified:** Yes, that's right. **Ramsay:** ... If you did a meeting next to get somebody up there to address a thousand ... people, we've got them.

# RAIN ON A PARADE

## A CORRUPTION SCANDAL MAY DRIVE BRAZIL'S REFORMING PRESIDENT FROM OFFICE

Independence Day parades in Brazil rarely drew large, festive crowds. But last week, on the 175th anniversary of their nation's freedom from Portuguese rule, many Brazilians saw little reason to celebrate. Throughout Latin America's largest country, thousands of citizens dressed in black in a symbol of defiance against the government, a contrast of traditional holiday garb to the associations of grief and sorrow. And while recent elections in May put the reforming President Fernando Collor de Mello, who was sworn in Sept. 7 at Rio de Janeiro and São Paulo, in the capital, Brasília, where riots were clear, a dark cloud hung over the official ceremonies. Only 12,000 spectators showed up—less than half the number that turned out last year. The reason: public outrage over a corruption scandal that has engulfed Collor, leaving him likely to face an impeachment trial on charges that he used Brazil's highest office for personal profit. As the scandalized 43-year-old leader watched a military parade from atop a reviewing stand, members of the crowd howled and, at another part of the city, more than 5,000 protesters staged an anti-government rally near the Brasília television tower, with banners reading "Get Out, Collor!"

Grassroots demonstrations against the president, who in 1989 was elected on an anti-corruption platform in Brazil's first fully democratic vote in 28 years, have been spreading drastically in recent weeks. On Aug. 24, after a three-month investigation, a congressional committee released a damning 200-page report charging that, over the past 26 years, Collor, along with his family and friends, had received millions of dollars from an illegal offshore-peddling ring. The president has vehemently denied any impropriety and he has refused to resign, but his chances of political survival seem to be fading. An appeal panel published last week in the *Folha de São Paulo* newspaper charged that Collor got out of Brasília two favors' worth of money. "Collor

was very anxious to be president," said New Braunfels, a 75-year-old retired ship stewardess from Rio de Janeiro. "He lacked a notion of politics, but he was young and handsome and the women fell for him. He fooled a lot of people."

When Collor was elected, Brazilians were hopeful for change. Hyperinflation, running at nearly 90 per cent a month, was curbing the country's economy. Collor quickly introduced a radical austerity program that more than halved that rate. But in recent months inflation has again begun to rise. And a program to restructure a significant portion of Brazil's staggering foreign debt of \$139 billion has been jeopardized by the current political uncertainty. Coupled with the corruption scandal, such economic woes have helped to fuel public anger at Collor's administration.

Congress launched its investigations after Collor's 20-year-old brother, Paulo Mello, alleged in May that the president had granted four kickback deals granting government contracts engineered by Paulo César Pinheiro, Collor's former campaign treasurer. Drawing its findings on about 40,000 e-cashed cheques, the panel estimated that payments to Collor, his political allies and family members totaled \$26.5 million.

Despite the evidence, Collor has vowed to stay in office until his five-year term ends in 1993. In a nationally televised speech six days after the report's release, the president acknowledged that he had made "mistakes" by "trusting too much in people who proved not to be worthy of trust." But he criticized congressional investigations and said, "I'm not the kind of man to resign. I fight, and I always throw myself into a fight."

The scrappy young president, who jogs regularly and has a black belt in karate, says he'll leave the halls of his life. Charging that Collor had "lost all motivation to govern the nation," Brazil's bar and press associations jointly petitioned the Chamber of Deputies, the country's lower house of congress, on Sept. 1 to open the impeachment process. A vote to authorize an impeachment trial is expected to be held later this month. Its passage requires a



Collor and wife Roseane at Independence Day parade: 'he fooled a lot of people'

two-thirds majority in the 500-member lower house. In that case, Collor would automatically be removed from office for 180 days—and replaced by Vice-President Ramo Francisco, while he faces a formal trial by the 81 members

of the Senate, the legislature's upper house. Last week, the president's prospects looked increasingly grim. His congressional opponents appeared to have more than the 338 votes required to initiate impeachment proceedings. The newspaper *Folha de São Paulo* published a tally showing 360 deputies in favor of impeachment, 34 against and 108 undecided. Permanent removal of a president from office would require a similar two-thirds majority in the Senate, after a trial. And recent

Collor's last mass at his wedding, has ostracized the 40 members of his Social Democratic Party in the lower house to vote for impeachment. And last week, Jorge Bornhausen, Collor's minister of government, stepped down amid the deepening crisis. Bornhausen was the second cabinet minister to resign since the scandal came to light.

The investigation is not confined to the president alone. His 28-year-old wife, Roseane, who has a business for designer outfits and expensive shopping trips abroad, is also under suspicion of misusing funds. Last year, the Brazilian media reported that as director of the Legion of Brazilian Assistance, the First Lady spent \$150,000 of that national welfare charity's money on a hotel holiday banquet for a friend and had diverted other funds to her family and associates. The reports provoked marital problems between husband and wife. Collor tried to have his spouse resign her post, even accusing her wedding ring in protest until she finally stopped down to August, 1990. They have since reconciled, and Roseane Collor recently said that they are enjoying the "best phase" of their marriage.

But the honeymoon may soon be over. Police have reported that at least \$575,000 of the charity's money was embezzled while Roseane Collor was at the helm. And in late August, a federal judge ordered her to return \$250,000 in state money that she allegedly used to throw another embezzled party for a friend at the presidential palace. Collor, who denies that she broke any laws, is also caught in 25 other legal proceedings. And she has become a popular target at anti-government protests, where participants often chant "Roseane, you ugly thing! You're going to jail, too!"

At last week's independence celebrations in Brasília, Collor did not wear the green and yellow presidential sash as he had last year. Instead, he wore a forest-green suit, an odd choice of dress given that black has replaced yellow as the color of protest in Brazil's government. It was his dark look and posture that he had last year. Bornhausen recently predicted that it would also be his last.

SCOTT STEELE with DEAN GRABER in Rio de Janeiro

## World Notes

### AN 'ACT OF WAR'

French Foreign Minister Raimond Dumas described the killing of two French war correspondents in Saigon, as an "act of war" and the Paris government denounced that the Moslem-led Rouman government take action against the killers. Reg. Gen. Hassan Ali Abd-Rahim, the Egyptian commander of UN forces in the Bosnian capital, said that the garrison that killed the two soldiers and wounded five others came from an area controlled by the Bosnian government, not the Serbian forces besieging the city. In New York City, UN Secretary General Boutros Boutros-Ghali recommended expanding the peacekeeping force in Bosnia to as many as 7,500 troops and support staff—five times the current deployment.

### MANDELA'S COCOTE

Wanda Mandela resigned from her last remaining post—the Above National Congress after newspapers published a letter that she allegedly wrote to her former deputy and apparent lover, Didi Maki. In the letter, she referred to nearly \$75,000 paid from the ANC's department of social welfare to Maki's daughter. Maki said that about \$170,000 is missing from the group's welfare department, which Mandela headed until her resignation from that post in April. Mandela is the estranged wife of ANC leader Nelson Mandela.

### HIGH-STAKES RAID

Three Brooklyn, N.Y., businessmen pleaded guilty to defrauding the U.S. government of \$100 million in food stamps, which did not allow them to receive the stamps for food at grocery stores. The defendants used their wholesale meat business as a front to launder food stamps which government spokesmen said they had accepted from retail store owners.

### GOING HOME

Russia agreed to withdraw all Soviet troops, numbering more than 28,000, from Lebanon by the end of August, 1990—moving up its deadline by three years. It is to 80,000 troops remain in neighboring Latvia, and more than 15,000 troops are stationed in the Baltic country of Estonia.

### TRITON CANCELS

Chief Japanese ambassador over its charge last week that Soviet troops stand at the aid of the Second World War. Russian President Boris Yeltsin postponed a visit to Tokyo Japan has withheld major economic aid to Russia until the Baltic dispute issue is settled.

surveys indicate that Collor's opponents now have that level of support.

Still, he is actively lobbying members of congress for their support and is preparing a formal defense, which he must present in a skeptical cabinet next week. But the president's political base is rapidly eroding. Even Paulo Mello, a longtime political ally who in 1984 was

# A republic deeply divided

*Voters face a pivotal referendum on closer European union*

Even in a country where politics and show business mix as seamlessly as Perrier and water, it must have been one of the most lustrous political rallies ever. A dozen top groups with names like Euro 1 and Green 1000 gathered in the middle of Paris last week to chant the praises of European unity. Their precise message was not always clear: is this a day called Truth-Care ripped out the unrecognizable lyrics. "Bring 'em back, Europe! Bring 'em back, Europe!" But the general sentiment was unmistakable: with a little discreet funding from France's ruling Socialist party, the reporters were urging young people to vote "yes" on Sept. 28 when the country holds its pivotal referendum on the Maastricht treaty on European union. "We must say 'yes' to Europe," announced Pierre-Ortiz, who was speaking, several times, in a break in the concert. "It's as simple as that."

The problem for the government of President François Mitterrand, and for other European leaders who see the Maastricht agreement as the continent's best guarantee of future unity and prosperity, is that the issue is not at all that simple for France's restless voters. A dummy poll last week showed the country almost evenly divided over the treaty. But the possibility that French voters might reject the deal was enough to send shock waves through political establishments across Europe.

French "noes" would kill the ambitious treaty, which takes its name from the Dutch town where the 12 European Community leaders hammered it out last December. That would derail the agreement's complex blueprint for a single European currency by 1999, as well as common defense and security policies for all 16 countries. The consequences, some government officials would be anxious, ranging from



Kohl (left) with Mitterrand attempting to assuage fears of increased German domination

immediate upheaval at Europe's financial markets to greater long-term instability across a continent already reeling from its worst crisis since the Second World War.

Dutch voters dealt the treaty its first setback in June when they narrowly rejected it at their own referendum. All leaders maintained that they could find a way around that obstacle. But a decision in France, suddenly the driving force of European unity, would sink the entire

deal. As a result, other European leaders rushed to lend their support to the "yes" forces.

German Chancellor Helmut Kohl, who has staked much of his political credibility on the success of the Maastricht deal, supported with Mitterrand on a special TV broadcast to assuage French fears that the treaty would strip it of its status as a dominant European power. Kohl's prime minister, Helmut Kohl, also

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passed as a rally for the "yes" camp. French leaders recruited scores of big celebrities, including actors Catherine Deneuve and Gérard Philipe, to lend the pro-Maastricht cause a bit of glamor. And they raised enough warrings of the consequences of a "no" victory. Karl Lang, the French minister in charge of the government's referendum campaign, predicted badly that a "no" vote would lead to "a crisis of confidence, a depression that would hit the whole of Europe."

Such heated rhetoric had its equivalent in the "no" campaign, a desperate growling that acceded the far right and, for left, as well as many in the middle. On the right, the extremist *National Front* led by Jean-Marie Le Pen warned (incorrectly) that Maastricht would eliminate remaining border controls and flood France with immigrants. Conservatives laid a broadway doctrine of Socialists, meanwhile, claimed that the treaty would undermine the rights of French workers. But those parties together took for only about 20 per cent of voters. The powerful new opposition to the Maastricht deal comes from a band of moderately conservative politicians who say that while European unity is a good idea, the treaty itself is fatally flawed.

Chief among these is the *Union Rénouveau*, a parliamentary deputy for the Gaullist Rally for the Republic party. The party's leader, Jacques Chirac, is a centrist for a "yes," but Séguin has been growing suspect for the anti-Maastricht banner during a dogged grassroots campaign across France. A big, shagging bear of a man with a raspy voice, Séguin took his campaign last week to Dijon, the eastern city renowned for its mustard. There were no rhetorical fireworks; in fact, the 1,200 locals who packed into an arena to hear him sat through more than 40 minutes of painstaking analysis of the complex document. But Séguin clearly struck a chord when he warned against the unpredictable consequences of giving up hard-won French francs in favor of the Ecu, the common European currency proposed in the treaty. And he drew cheers when he denounced the suspected "technocrats" in Brussels.

At the same time, Séguin distanced himself from extremists on the "no" side by stressing that he supports the EC, including its program to create a single Western European market by Jan. 1, 1993. The so-called 1993 plan, which will eliminate virtually all barriers to the free movement of people, goods and services, was agreed on long before Maastricht and will

almost certainly go ahead even if the treaty does not prevail here. But despite his words of commitment to the ideal of "Europe," Séguin was clearly also appealing to French national pride and sovereignty, the kind of feeling that Charles de Gaulle himself espoused. Many conservative voters are quick to applaud Séguin's warning that more power given to Brussels under Maastricht would undermine French sovereignty. "There's a misunderstanding of national identity," said Jean Sermet, the head of a local association of small businesses, after hearing Séguin speak in Dijon last week. "We don't want to depend on a bunch of bureaucrats in Brussels for our future."

Others sounded similar concerns. "We're

politeness are in flux. The influx of immigrants and refugees into France, they argue, means that French sovereignty should be strengthened—an argument that ignores the fact that the treaty actually proposes measures to tighten security along the EC's borders. And Germany's growing power, they fear, will mean Maastricht campaigners worried that the proposed new European Central Bank would amount to little more than a vehicle for German financiers to dictate economic policy. "If the Germans are so interested about it, it must be in their interest," said Philippe Mariani, an activist 19-year-old economics student at the University of Dijon who helped to organize Séguin's rally.

For the "yes" forces, the same fears voiced by the "no" camp provide arguments in favor of the treaty. Desiring a post-Communist Eastern Europe, they maintain, means that the West must draw closer together for the sake of stability. A single market requires a single currency to cement it in place, they say. And far from being a way for the Germans to dominate Europe, the "yes" camp argues, monetary union will further ensure that Germany is tightly bound to the democratic West—and not tempted to go its own way. The emergence in Germany of neo-Nazi groups and riots against foreigners, as well as Prime Minister Helmut Kohl's warning maintained last week, "shows yet again that we have to draw Germany ever closer to us—far we take and for theirs."

Further complicating the issue is the rising popularity of the Communist and far Socialist party, which has been in power for 13 years. French commentators say that the 76-year-old president regards Maastricht as the crowning achievement of his career—and he has urged voters not to take out their frustrations with him on the European issue. Many leading conservatives who favor Maastricht have urged voters to reserve their preference on the Socialists until National Assembly elections

next March. Valéry Giscard d'Estaing, the conservative former president who leaves the deal, summed it up neatly in his slogan, "Vote 'yes' in September, 'no' in March."

Whatever the outcome, France's leaders have already given ample evidence that they are out of touch with their people. Albert Bressard, director of the independent Paris think tank *Monnet*, noted that the government earlier arranged calling a referendum until the surprise Danish rejection of the Maastricht deal on June 2. "They did not bring the people along with them," he noted. "At least now people are seriously examining the issues for the first time." Or as the top group *Centre de la Base* put it in their report for the "yes" forces last Thursday night: "When it comes to Europe, France is in a state of shock."

ANDREW PHILLIPS in Paris



Séguin: the 'yes' side appeals to France's national pride

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WORLD



ANC marcher at the Ciskei slaughter scene: 'nothing other than caccion fodder'

### SOUTH AFRICA

## Slaughterhouse rules

*A massacre dims hopes for peace talks*

**J**ohannesburg, South Africa's National Peace Accord, quickly began to set up last year to oversee the country's transition to multiracial democracy seemed up what many of his countrymen felt as the voice of yet another bloody massacre. "It seemed so absolutely unnecessary," he said. "It did as a taste of things to come. God help us all." The Sept. 7 slaughter on the border between South Africa and Ciskei, one of the 10 so-called black homelands within the country, may indeed be a similar omen. It happened where about 500-600 supporters of the African National Congress (ANC), the main organization representing the interests of the black majority in South Africa, marched on the Ciskei capital, Bhebe. They were demanding the resignation of military director Brig. Gopu Gopu, whose administration is supported by the Pretoria government. When a section of the crowd crossed a razor-wire barrier, soldiers sent by Gopu to block the marchers' route opened fire with automatic weapons. By the time the terrible carnage of the gun assault ended, more than 200 were killed, at least 28 people lay dead and nearly 200 were wounded. The ANC and its South African Communist Party allies called it an unprovoked attack, their spokesmen depicting Gopu as a "blood-thirsty rightist dictator" who was prepared to set out the anti-apartheid struggle "in the

gutter-nastiness in Pretoria." But many South African analysts said that the ANC should share the blame for leading demonstrators into such a dangerous situation. "The marchers were acting more than cannon fodder," said John Sengobela, political consultant Wm. Gopu. "The last time, in a power, which the ANC leaders plan to achieve by destabilizing the homeland leaders who oppose them." But, ANC officials vowed to intensify efforts to oust Gopu and the rulers of other homelands allied with Pretoria—Bophuthatane, Gopu and Kwa-Zulu. ANC secretary general Cyril Ramaphosa said that it was impossible to negotiate a new constitution with the government of President P.W. (Fredrick) de Klerk while it prepped such regimes.

But a long-standing feud in the ANC between marshallers and pro-segregationists does (researched in the aftermath of the shootings). On the one hand, senior ANC official Tshepo Yengeni declared, "Gopu cannot continue talking our people Gopu must die." But ANC President Nelson Mandela, while condemning the government of Pretoria and Bhebe for the massacre, avoided such inflammatory rhetoric. And by the end of the week, the ANC senior executive agreed to meet with de Klerk to search for ways to end the violence. The shock of the slaughter also brought a

WORLD

urgent appeal for international help. Foreign Minister Koos (Pik) Botha called on the Secretary-General Rosterio Rosterio-Gibbs and the Security Council to intervene to help end violence and get stalled constitutional negotiations restarted. Botha said that although the government was still committed to a negotiated settlement, "we have now reached a point at which violence is making the negotiation of these issues increasingly difficult to attain."

Botha also said that the ANC's anti-Gopu actions were "all the more questionable" because its party constitutional rules had already reached such agreement on the future of the homelands before the ANC walked out of them in June. Botha and de Klerk maintained that the ANC was not targeting two other homelands, Transkei or Venda. Like Ciskei, those states are ruled by selected military governments—but they are sympathetic to the ANC.

Ciskei is one of 10 black homelands, established over the past three decades as part of Pretoria's apartheid policy of racial separation, which the ANC wants to re-incorporate into a democratic South Africa. De Klerk's National Party government contributes about 60 per cent of Ciskei's budget and allows white South African military officers to man key positions in the Ciskei Defence Force.

Gopu de Klerk and other opponents of the ANC all claimed that soldiers within the anti-apartheid camp had deliberately sought to commit an atrocity. But many impartial observers spread the blame. "There is no doubt that there is shared culpability between Gopu, de Klerk and the ANC in this matter," said University of Cape Town political scientist David Welsh. He added: "The unprovoked wing of the ANC were certainly looking for a card to play, and Gopu was certainly looking to give the ANC a lesson it would not forget. The de Klerk government failed to bring Gopu to heel, which it certainly could have done had it tried harder."

Mandela was clearly moved by the events at Bhebe. A day after the shootings, he made his way between a phalanx of South African police to go to an anti-apartheid territory to lay a wreath for the fallen and he was so overcome with emotion that he could hardly speak. In one all-day session on Sept. 30, the ANC's senior executive considered cutting off extra aid from the de Klerk government. In announcing the day they were willing to meet with de Klerk, the ANC leaders listed tough conditions—including the release of 400 political prisoners and a compensation law on carrying weapons in public—that have blocked previous bids to restart stalled constitutional talks. Pretoria's reaction: "Mandela's demand, on matters how difficult, in the negotiation agreement," the Foreign Office, which is the only other state we can take. But as the talks of the Bhebe killings, more violence seemed inevitable.

ANDREW BELAKI with CHRIS KRUMHOLTZ in Cape Town

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# UNITED THEY FLY

## THE COURTSHIP OF PWA HAS ENDED IN A CONTROVERSIAL AGREEMENT TO MERGE CANADA'S DOMESTIC AIRLINES

**T**he focus of PWA Corp. employees last week revealed the outcome. Rhylls Epton, chairman of the Calgary-based airline, looked grim as he briefly intimated that the company had finally agreed to accept an offer from its arch-rival, Air Canada of Montreal, to merge the country's two national airlines. Following Epton's statement, over some vintage PWA flight attendants, who are trained to remain calm under conditions of extreme stress, were unable to suppress their tears as they offered passengers drinks and pillows. Such open displays of distress, however, represented more than just concern about the loss of their jobs after the merger. Over the past four weeks, PWA employees have scrambled to pull together a comprehensive financial plan, based on wage and benefit cuts, that could have saved their company from Air Canada. But despite their efforts, the dilemma airline ran out of time. Scot Stevens, Canadian, transportation analyst at First Monarch Securities Ltd. in Toronto: "PWA was winning the contest with Air Canada over who goes into bankruptcy first."

Although PWA's daily operating loss of \$700,000 ultimately curtailed its ability to ward off an inevitable union as it was losing another critical resource: the race for political support. From the outset, the merger debate over the fate of the two faltering national airlines has been as much about politics as it has been a business. Air Canada's strategy to promote its merger plan as a "made-in-Canada solution" for the troubled domestic industry, at the same time as it used outbribe competitive

tactics to further weaken its equity financially, clearly reflected that contradiction.

Air Canada is certainly as practiced at negotiating political chances as it is the sky. The former Crown corporation had significant national employer (employing 28,300 employees) as an experienced corporate federal and provincial government lobbyist with a well-established network of contacts. As well, its board includes such directors as lawyer David Angus of the Toronto-based firm Skidmore, Blawie, who is also a leading fund raiser for the Progressive Conservative party. Claude Taylor, Air Canada's chairman and a close personal friend of federal Finance Minister Donald Macdonald, is another veteran of political maneuvering. Co-operating closely with Ottawa since 1986, Taylor has transformed the airline into a showcase for the federal government's key policies of privatization and deregulation.

Although Taylor is frequently described as Canadian airline czar and a "brilliant schemer," his campaign to win federal and provincial government support for Air Canada's merger proposal had clear advantages as well. As members of a board of directors of a company facing merger or takeover, senior PWA executives were restricted by law from discussing such proposals outside the boardroom or from publicly endorsing or criticizing any one proposal. Scot Sidney Perreault, a senior PWA executive who led the employee group in its attempts to raise new capital for the airline and to rekindle the aviatorist proposal made by the American Airlines Ltd. of Fort Worth in July: "We felt sure that our plan had the support of PWA management, but they couldn't show it in any way. It was very frustrating—but their hands were tied."

Air Canada was also helped by a dispute that developed among PWA's directors. Influential Calgary businessman Ronald Steinhilber openly advocated a merger with Air Canada as the most stabilizing solution for both weakened owners. Opposed was Epton, who has long preferred the \$250-million capital injection proposed by American Airlines to save PWA's financial problems.

Steinhilber's position, however, was reinforced by the concern of other outside directors that they would be liable to lawsuits from



Employee advocate Sidney Perreault in Vancouver: the politics of survival

PWA shareholders if they endorsed any plan that contributed to the ultimate financial failure of the company. Indeed, on July 26, when PWA initially rejected American Airlines' offer, the business conditions attached by the U.S. airline and the uncertain outcome of such a deal at a time of financial crisis caused the PWA board to favor something more concrete. That drove Epton to initiate merger talks with Air

Canada and representatives of Giant Group (Automated Distribution Systems Inc. of Toronto, the airline's central reservations system). Macdonald strongly welcomed its support. Under the employee plan, PWA would have abandoned the Giant system in favor of the Sabre reservation system used by American Airlines. The government of Manitoba decided that the resulting job losses were an unacceptable side effect of this investment. "We had the rug pulled out from under us, and suddenly in mid-presentation we had to change our story to the PWA board," said Perreault. "It had a real psychological impact on them, it really frustrated them at the last minute and it made us look like shifty operators." Hemorrhaging financially and with no other choice at night, the 16-member board voted for a merger with Air Canada.

Air Canada had evidently decided that the use of such political firepower was justified by the high stakes of its game against PWA. The Montreal-based carrier, clearly pained about PWA's acceptance of its merger offer, has publicly brooded about its concern that PWA would turn over its exclusive Canadian routes to Japan to American Airlines, shutting out Air Canada from that lucrative market. Access to Asian routes is also a critical bargaining chip as Air Canada pursues its program of international alliances with a variety of international carriers.

By week's end, there were still few details available about the shape that Canada's new national airline will take. A committee of three directors from each company will now determine the joint entity's new name, the alternate location for its headquarters and where to start cutting more than 4,000 jobs as the two organizations are redefined. Federal authorities, including the Bureau of Competition

Policy and the National Transportation Agency, as well as shareholders of both companies, will have to approve that final plan. But because of the length of time that process is expected to take, the body's political influence became clear in the final moments of its presentation to the company's directors. When they began their mid-morning presentation in the PWA boardroom on Sept. 8, their plan to raise up to \$150 million through salary and benefit cuts included the financial circumstances of eleven provincial governments and the prospect of a

## Business Notes

**CHOOSING REER OVER M&K**  
John Lubett Ltd., an Ontario-based shareholder of the company's annual meeting by announcing that it will split off its lucrative dairy interests into a separate company, allowing Lubett to focus on its core businesses: beer and soft-drinks assets. The dairy division, which includes All Ponds and U.S.-based Johnson Dairy, had more than \$2 billion in sales last year, accounting for 55 per cent of Lubett's revenues. In another unexpected action, Lubett executive vice-president George Sweeney announced that he is replacing Sidney Olson as company president. Olson became vice-chairman.

**BLACK STEPS BACK**  
London- and Toronto-based newspaper firms Group of Black all but abandoned the idea to take over the troubled Press-Week Daily News after it failed to reach an agreement with the publication's union. Staff reductions and changes in work rules, intended, the union threw their support behind a bid by Montreal-born businessman Maurice Zuckerman, owner of U.S. News & World Report.

**THE NEED TO COMPLETE**  
In its annual survey, the Paris-based Organisation for Economic Co-operation and Development, which represents the world's 24 leading industrial nations, including Canada, said that Canada's competitiveness "has deteriorated markedly during the past two decades." The report blamed the country's weak productivity growth during the 1970s and 1980s on inadequate spending on research and development.

**THE PRICE OF SURRENDER**  
The Kitchener family's Olympia & York Developments Ltd. announced that it will have been control of a \$3-billion office tower in New York City's Wall Street financial district by a group of U.S. bondholders to settle their claims against the company. The transaction values the holding at only \$250 million, about a quarter of the estimated value using the real estate boom of the late 1980s.

**CAUTIONARY ADVISE**  
Toronto-based Confederation Life Insurance Co., Canada's third-largest life insurer, disclosed that it is discouraging its agents from selling variable annuities on insurance products, including equity plans, because the company has insufficient resources to guarantee them. Company chairman Patrick Burns said that the value of those resources has declined as part because of falling real estate values.

BERNARD McLEOD



## BUSINESS

# The costs of power

Ontario Hydro customers face the consequences

**T**he even color scheme of the Darlington nuclear generating station provides an indication of its history: it is painted leadership grey. And indeed, the Ontario Hydro station has been a flashpoint for controversy even before construction workers began pouring concrete in 1981, when environmentalists objected to the massive project's potential for disaster. Since then, construction delays and technical problems have cocked Darlington. With three completed reactors, and a fourth still under construction, it is now at least five years behind schedule and \$11.3 billion over its original cost estimate of \$2.5 billion. As a result, electricity rates in the province have soared by nearly 35 per cent since 1990—and that trend will continue as Ontario consumers and businesses pay for a generating plant that some energy experts fear may never operate properly. For some of Ontario's largest manufacturers, the increases are critical, with power accounting for more than 30 per cent of their costs, their representatives say that each

price hike seriously affects their ability to remain competitive. Ontario's experience with Darlington, furthermore, has clearly contributed to a cooling interest in nuclear power among other provinces (page 27).

Just how much Darlington is costing Ontario consumers became clear this summer at the Ontario Energy Board's hearings to determine Ontario Hydro's rate increase for 1993. In 20 days of hearings in July, Hydro proposed to increase its rate by an average of 3.8 per cent—and attributed fully three-quarters of the increase to the costs associated with bringing Darlington on line. The energy board recommended last month that Ontario Hydro limit its rate increase to an average 7.8 per cent. Its recommendations, however, are not binding and the utility is expected to announce its 1993 rate increase later this month.

Hydro chairman Marc Staretz, whose resignation in August becomes effective on Oct. 31, said, "Markham's that without Darlington, the utility could have held its rate increase to two

### Ontario Hydro's Darlington plant: plagued with technical problems

to four per cent. And he added that he agrees with the New Democratic government's ban on all future nuclear generating plants. He added that by looking for alternative supplies of power and acting more on energy conservation, Ontario will never again face huge jumps in its electricity rates.

But that is little comfort to many large users. Supporters of these regulations say that the utility will have to change its basic approach to providing service. Until now, Ontario Hydro representatives have maintained that the company provides an essential service. Indeed, business representatives say, Hydro executives will have to acknowledge that it provides a basic commodity and price its product competitively. Otherwise, industry will look outside of Ontario for locations where power is cheaper. Sen. David Gobeil, chairman of the 60-member Association of Major Power Consumers in Ontario, "Ontario Hydro is putting the future of this province in peril."

Indeed, business executives say that Ontario Hydro's rate increases are driving up their costs—and are seriously undermining their ability to compete internationally. Ralph Powell, president of Niagara Falls, Ont.-based Washington Mills Canadian Operations, and that when his company worked to expand, it considered building at both Ontario and New York State. Niagara Mohawk Power Corp.



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agreed to supply Washington Mills with low-cost electricity for five years. As a result, in January, Washington Mills, which makes such industrial electronic products as gear for seaplanes, got its new 16-million-giga-watt, which employs 42 workers, in Niagara Falls, N.Y. And Powell noted that his company will closely monitor the future of its Ontario plants, which employ 230 workers, if Hydro implements a planned 9.1 per cent increase for industrial customers on July 1. "We cannot stand another increase in a recessionary period where we cannot get price increases," Powell said.

came about the reliability of the power that Hydro will be able to produce. As well as the uncertainty surrounding Burlington, Goldsmith said that he has grave doubts about Hydro's ability to predict the province's future power needs and ensure that it has adequate sources of power available. Because of the current recession, Hydro has scaled back its projections for growth in the province. But historically, Goldsmith said, demand for power tends to surge during economic recovery.

Goldsmith has a particular reason for concern. An interruption in power of even a few

gy Probe, electricity rates in Ontario will surpass those in the United States by 1994. In 1985, U.S. rates were 46 per cent higher than Ontario's. With Ontario Hydro's economic edge rapidly disappearing, the utility's friends and foes alike are quick to explain their theories of what went so wrong so fast. Almost inevitably, Burlington's problems are attributed to a number of factors.

When Ontario Hydro first proposed the Burlington plant in the late 1950s, the province's economy was booming and consumers' appetite for power was voracious. A so-called megaproject such as Burlington seemed to make sense. But such large-scale construction projects, which take years to build, present forecasters with a dilemma: The farther ahead they must look, the more difficult it is to accurately predict what the demand for power will be. Indeed, the oil-price shock of the early 1970s suddenly turned many consumers into energy conservationists—and subsequently made forecasting even more difficult. Declared Lawrence Solomon, Energy Probe's chief economist, "Hydro should not be in the forecasting business. When you are dealing with a megaproject, it doesn't take much to throw everything off."

Burlington's actual construction confirmed some of its critics' worst fears. Privately, estimates indicated that Hydro could build the plant for \$2.5 billion. By the time Hydro began preparing the site in 1978, the estimate had risen to \$7.4 billion. At its peak in 1986, it was one of the largest construction sites in North America, employing 7,800 workers.

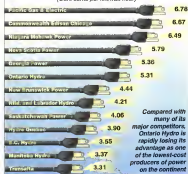
During its protracted construction, however, unforeseen problems arose. The largest of its earlier generations of reactors, the four CANDU units at Bruce B, on the eastern shore of Lake Huron, were designed to produce 770 megawatts of power each. The engineers of Burlington, however, redesigned the heat transport system so that Burlington's reactors would operate more efficiently and generate up to 880 megawatts of power each. But after a fuel handling accident and become jammed during operations of the first completed reactor, Ontario Hydro shut it down.

When similar problems showed up in the second reactor a year later, the utility shut it down as well until investigating engineers could determine the source of the problem and correct it. In January, 1991, John Skerris, manager of nuclear safety analysis, and a team of more than 50 investigators began spending painstaking 12-hour shifts trying to find what caused the trouble. Skerris' team "With all the precautions you have to take, you can't do anything quickly as a nuclear reactor."

On July 17, the Atomic Energy Control Board (AECB), the federal agency that regulates the nuclear industry in Canada, gave Ontario Hydro permission to restart Unit 1. Almost as soon as it began running, analysts estimated the fuel handling to make sure the new inspectors had not overlooked them. They also installed a special video camera in the channels holding the fuel rods, to show how they perform. After initial test results showed no air leaks, the

## SEEKING AN ELECTRICAL EDGE

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"We compete in a global business, but we are not going to be globally competitive in '90 because of our power costs."

Like Powell, Goldsmith is concerned about the impact of electricity costs on his company's profit. Goldsmith's company is also manager of planning and development at Brierley Falls Mills, located near Ottawa, a firm that uses scrap steel to produce steel wire rods, and as the province has become one of the largest power consumers in eastern Ontario. Goldsmith said that from 1980 to 1989, the price of scrap material for steel stayed flat, but steel prices climbed by 33 per cent, and scrap and maintenance costs increased by 25 per cent—and electricity by 91 per cent. "We have gone to our scrap suppliers and asked for a price freeze," Goldsmith said. "Electricity is the one and only cost we cannot control."

Goldsmith added that he is increasingly con-

cerned about the reliability of the power that Hydro will be able to produce. As well as the uncertainty surrounding Burlington, Goldsmith said that he has grave doubts about Hydro's ability to predict the province's future power needs and ensure that it has adequate sources of power available. Because of the current recession, Hydro has scaled back its projections for growth in the province. But historically, Goldsmith said, demand for power tends to surge during economic recovery.

Goldsmith has a particular reason for concern. An interruption in power of even a few



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units give its permission for Unit 3 to start running at 30-year-cost capacity last week. Unit 3 is scheduled to start up later this year, and Unit 4 next spring.

By late July, Unit 1 was up to full power and feeding up the Ontario Hydro grid. The start-up produced other remarkable results, scales on the boilers of many of the units "It was fairly good to be producing power," said one employee who was walked briefly through the immediately swept concrete corridors. Added Hydro spokesman Suzanne Stoddard "Morale has been so high here. People just want to get this plant operating."

If Hydro's clock is to do most recent schedule, the time of completing Darlington will have risen to \$13.8 billion. That figure includes \$25 million a month per reactor in carrying charges. However, as each reactor comes into service, a significant amounting charge occurs instead of a financing charge, its costs are charged to operations. That is why Hydro says that three-quarters of the proposed 86-per-cent increase in 1993 can be attributed to Darlington.

While Darlington presents Hydro's major problem, there are other weaknesses in the system. In 1989, Hydro shut down its oldest reactors at Bruce and Pickering for repairs and refueling. As a result, they were generating only 57 per cent of the power they were designed to produce. Since 1988, the utility has spent \$1 billion, and has set aside a further \$254 million to rehabilitate Bruce over the next eight years. At the same time, maintenance and rehabilitation efforts at Hydro's 79 other nuclear and hydroelectric generating plants and their transmission system have not kept pace with the effects of aging. Now, Hydro plans to increase the rate at which it will replace everything from wooden transmission poles to switching systems.

Still, some energy experts say that the biggest problem with Ontario Hydro is the structure of the utility itself. With \$43 billion in assets, it is Canada's second-largest company after the C.N. Rail Canada's Montreal-based parent at \$48 billion in assets. Hydro has more than 20,000 people on staff, each of whom, on average, will take home \$64,635, including benefits, this year. Hydro's monopoly over which no retailers have control and, as a result, critics say has turned into an economic piggybank.

The energy lobby's recommendations on costs are not backing, and although the Ontario Environmental Assessment Board reports say that organizations have never made a case recommendation against Hydro's status. But has Hydro's own board of directors significantly

by interdicted Hydro management, even though 16 of the 17 directors are appointed by the Ontario government. Even the Power Corporation Act of Ontario, which declares that Ontario Hydro has to produce power at cost, allows Hydro itself to defend what those costs are. Said Jack Stacey, a private equity consultant in Niagara Falls and a longtime Hydro watchdog "The Power Corporation Act provides an effective shield behind which Hydro has done what it pleases."

Critics have proposed a wide range of solutions on how to improve Hydro. Former Bob Rae's government passed an amendment to the Power Corporation Act, giving the government directive power over Ontario Hydro. It

of energy, such as natural gas. He added: "We have no desire to run Hydro on a day-to-day basis. Bill 118 enables us to set the policy directions, while Hydro can use its expertise to achieve those objectives."

For their part, private executives say that the provincial government should force Ontario Hydro to accept a more realistic rate for 1993. The major power company manufacturer's Goldilocks said that a rate freeze would force the utility to cut its costs. "They must slash and cut until it hurts internally," he said. "Someone has had to do a lot of that, but Hydro has been modeled for far too long." A spokesman for the Electrical Industry Association says that 311 local utilities that buy power from Hydro, agree that Hydro must get its costs under control. Charlie Macleod, the association's manager of utility programs, and that a five-per-cent cut in Hydro's operations, maintenance and administration budget alone could save up to \$113 million annually.

Some Hydro critics say that the utility should allow those who generate power for their own use to feed into the grid. Under current law, anyone may generate power, but may only sell it to Hydro and not directly to their neighbors. In 1981, Hydro bought about two million megawatts of energy—enough to light up Richmond, Ont., for a year—but in December got a freeze on its so-called ancillary generation program. For his part, Jack Brown, executive director of the Toronto-based Independent Power Producers' Society of Ontario, said that he was disappointed with Hydro's action. "Selling Hydro's monopoly on the transmission system, he said, would force it to use more cost-effective, environmentally sound technologies, such as wind turbines and solar panels."

Others have recommended even more drastic measures. Energy Probe members have claimed for more than a decade that Hydro should be privatized. Some say that after the United States passed federal anti-monopoly legislation in 1976, the cost of power increased by about 11 per cent from 1985 to 1991, when inflation rose 27 per cent. In contrast, Ontario sales rose 52 per cent in the same period, while compound inflation was 35 per cent. Said Solomon "We need a competitive system to bring down prices and generate more jobs than the Darlingtons."

Whatever form Ontario Hydro takes in the future, the Darlington nuclear plant will assume a large-to-all remainder of how even the best plants can go wrong.

BARBARA WICKENS at Darlington



Ontario Hydro chairman Etkin: supports a nuclear ban

periodic, \$6.13, which covered retail electricity in June 92, makes average demand management, or energy efficiency and conservation, a priority for Hydro.

Bureaucratic leaders campaigned against the bill, claiming that it would turn the utility into a vehicle for the NDP's moral and economic programs. That acting Energy Minister Brian Coleman said that the proposed legislation would enable the government to publicly criticize its authority over the utility instead of providing informal direction to the utility behind closed doors, as previous governments have done. This new act allows Hydro to promote not only electricity, but also other forms

PHOTO COURTESY OF ONTARIO HYDRO



Control room at New Brunswick Power's Pt. Lepreau CANDU reactor

## Room for reaction

### New Brunswick is Canada's nuclear showcase

A simple narrow road leads to the massive nuclear generating station that lies near the tip of Pt. Lepreau, 40 kilometres west of Saint John, N.B. The imposing complex of buildings is a stark contrast to the surrounding forests and the calm waters of the Bay of Fundy, which is nearby. For residents, the station has been generating roughly 38 per cent of the electricity used in the province. Ultimately, though, as much as 52 per cent of New Brunswick's power may be produced on the nearby peninsula by Ontario and its Crown corporation Atomic Energy of Canada Ltd. (AECL) reactor. Pt. Lepreau will be the site of another nuclear reactor. Moreover, the structure will stand as a symbol of hope for Canada's 24.5-billion-watt industry—an industry that has lately failed to live up to its early expectations.

Building a site to the province of New Brunswick, in fact, is at the centre of Ontario's nuclear strategy. For one thing, New Brunswick Power Corp.—the owner of the existing Pt. Lepreau station—is the only Canadian company interested in buying a new reactor from AECL. But a bid for a second Lepreau reactor would resemble more than a single sale. Indeed, AECL wants New Brunswick to be the showman for a new reactor model, known as the CANDU (Canadian deuterium uranium) 3, which is viewed as Canada's best bet for making new

nuclear on the design marketplace. Dedicated AECL spokesman Michel Herbert "Pt. Lepreau is extremely important to us."

New Brunswick's significance is magnified by the fact that nearly all other Canadian provinces have put nuclear power on hold. In January, Ontario Hydro announced that it would ditch building nuclear and coal-fired generating stations until at least the year 2009. Just two months later, Saskatchewan's New Democratic Party government scrapped a \$58-million study commissioned by the previous government to build nuclear projects.

Meanwhile, the Canadian nuclear industry is in severe need of new orders to maintain its momentum. Right now, roughly 30,000 people work in the industry—down only slightly from the 33,000 working in the peak in the late 1970s. Many of them are working on the Darlington plant in Ontario, a last reactor inspection located in Lake Ontario, which is already five years behind schedule and \$11.3 billion over budget. And hundreds are tied up in AECL's last sale—a December, 1990, contract to build a CANDU 6 reactor in South Korea.

The industry will continue to try to open up foreign markets for new business. AECL officials say they are in the midst of negotiations for the sale of a further two reactors to South Korea. At the same time, they have targeted

other Asian countries, as well as Eastern Europe, as potential markets. Noted Ian Wilson, vice-president of the Canadian Nuclear Association, "The biggest opportunities for growth may be outside Canada."

Still, selling a second reactor to New Brunswick plays an important role in the industry's plans. New Brunswick Power and AECL are discussing the possible sale of a new 450-megawatt CANDU 3, which could be built next door to the existing 640-megawatt CANDU 6 Lepreau generator. AECL officials say that a domestic sale would allow Canada to show off the new reactor aspect—and go a long way towards convincing foreign customers to pay the approximately \$1.1-billion price.

All the same, it will not be as easy as AECL officials at New Brunswick Power point out that when the existing station went into service in July, 1982, its total cost had soared to \$1.4 billion—\$1 billion over its original price tag. Now, they want a firm commitment that Ontario will shoulder some of the potential risks on the CANDU 3 prototype before they will even consider buying the smaller reactor. Essentially, New Brunswick Power wants a cap on its costs—and a guarantee that AECL and the federal government will cover the remainder of the cost of the reactor. They also want that Ontario will shoulder some of the potential risks on the CANDU 3 prototype before they will even consider buying the smaller reactor. Essentially, New Brunswick Power wants a cap on its costs—and a guarantee that AECL and the federal government will cover the remainder of the cost of the reactor. They also want that Ontario will shoulder some of the potential risks on the CANDU 3 prototype before they will even consider buying the smaller reactor.

So far, Ontario officials seem willing to comply. "Problems arise after about three years of negotiation. New Brunswick Power and AECL have made important strides towards an acceptable financial arrangement—and that is a deal that may only be months away. I feel confident that they will be able to make it to a reasonable offer," he said. Macleod's

Even then, however, there are no assurances that such a sale is guaranteed. AECL's officials say that a new nuclear power station is only one of a number of options including coal, natural gas and hydro power, that New Brunswick Power officials are considering as a way to meet the province's increasing energy needs. And he is quick to point out that the power company does decide that a new nuclear reactor is the best option, the final decision being the provincial government. All the same, AECL's biggest challenge remains convincing New Brunswick Power that it can afford a new power station—one that will bring new electricity to the province and a single other sale to the nuclear industry.

JOHN DEWITT at Pt. Lepreau

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# The only way to save the economy

BY PETER C. NEWMAN

Once the constitutional fire is over and the government starts governing again, Ottawa will be faced with a conundrum: a problem that makes the Charlevoix record sound as tame as a Lucy Maud Montgomery fairy tale.

For three years now, Canada's economy has been in a constant slump that has defied all the standard recipes for recovery. The theory was that lowering interest rates would get people building houses again and spending money at stores, while industry, taking advantage of the low rates, would start to modernize plants and expand production. Turns to not the increased demand. It hasn't happened.

The Bank of Canada rate has been in a virtual free-fall, dropping to 4.50 per cent from 7.52 per cent over the past six months, although it did edge up last week to 5.14 per cent. Similarly, Washington's Federal Reserve Board has cut interest rates two dozen times over the past three years in its own futile effort to boost the U.S. economy, lowering rates from 9.75 per cent to the current three per cent. Both Canadian and American central banks officials profess that they are out of the rates to handle, but they are rightly worried that at some point very soon, the integrity of their currencies will be threatened.

Up to this point, it has probably been a useful exercise. Had interest rates stayed high, the recession might have been a lot worse, and the lower rates did allow governments, corporations and citizens to deal more effectively with their debts. But that tactic has now reached its limits. Moolching with monetary policy is not going to revive the North American economy.

There's only one other mode open to governments who want to prime the economic pump, and that's more spending that will start an aggressive new round of economic growth. Such a possibility has been blocked by the perfectly rational notion that this would amount to economic suicide, because it would add to budgetary deficits and

all sizes to fix more resources and development. Another approach—and this one would take megabucks and should include the private as well as the federal treasury—would be to provide emergency subsidies to cities and municipalities, whose own fiscal crises have forced them to raise taxes and postpone public works. The Federation of Canadian Municipalities recently estimated that at least \$20 billion must be spent immediately just to keep our bridges standing, highways passable, and sewer treatment plants in service. One way to dispense with stationary expenditures would be to dispense those funds as interest-free loans.

The toughest resources to devise would be tax cuts. That would require Ottawa to get into the hundreds of billions in additional or disruptive uncertainty, so that those people who really need more money, get it—and spend it. That's been exactly the problem. Lowering interest rates hasn't prompted consumers to start spending again, lower taxes might.

One of the major challenges in trying to revive the economy will involve changing corporate attitudes. Company planners will have to be convinced that long-term strategy can't be ignored entirely for the sake of short-term survival. At the moment, too many companies are maintaining their margins by cutting expenses—instead of expanding or even balancing expenses for capital expenditures. That puts the lid on new job creation, which in turn discourages consumers—who watch industry reacting for cover—than spending.

The most persuasive argument in support of a fiscal offensive on the recession is that we have run out of alternatives. We have, in fact, officially laid out the ingredients for several quarters now that unemployment continues to grow, and real incomes are not rising.

The worst signal of all is the exponential growth of what Statistics Canada euphemistically calls "discouraged workers." They are men and women who shed their last job—and have given up. Their resumes have expired to 100-000. Apart from the personal tragedy each of these individuals represents, their plight is not even granted statistical recognition, in that they are not included in unemployment figures. That excludes why unemployment in Newfoundland dropped last month to 29.3 per cent from 31.2 per cent.)

Another outcasting statistic recently noted from Ottawa shows that a million Canadians are being permanently laid off each year—said that this figure took through most of the 1980s as well as the past three years. In less recessionary periods, of course, many of these people find other jobs. But the disruption to working patterns seems to go on, regardless of the economy's health.

Most of the million Canadians due to be laid off in the next 12 months will probably not be able to find new jobs. That could drive unemployment rates to levels that no Canadian with a social conscience could accept.

And that's why Ottawa will have to start boosting expenditures again, no matter how horrendous the risk may be of expanding our already bloated deficit.

## PEOPLE

### UNCOVERING A SEX SYMBOL

Although it is not due for release until late October, *Sen*, a collection of photographs of pop superstar Madonna, has already stirred controversy. The 128-page book, which had been shrouded in secrecy by its New York City-based publisher, Warner Books, depicts the singer smiling, posing seductively with bare-breasted lesbians.



Madonna: a dirty book and a rejection

Such acts have already cost the queen of shock at least one fan. Leonard Stern, chairman of the New America Organization, who declined last week, "Madonna is not someone we would even want to be a role model for our program."



## Return of a native

As a teenager, she fled Nicaragua and moved to Paris, married one of the world's most famous pop stars and became a fixture on the international art set. Now, Renée Jagger, ex-wife of Rolling Stone Mick Jagger, says she may have back to her troubled homeland—and try her hand at politics. Jagger, 45, who is in Nicaragua filming a documentary about the country, told the *London Sunday Times* that "the people just betrayed" by 1979's right-wing President Violeta Chamorro and the still-powerful Marxist Sandinistas. After asking the president, Jagger said, "If Ronald Reagan could do it, the United States, why not?"

Jagger: a "betrayed" people

## A REASONABLE ARGUMENT

"I'm not a professor and I don't want to be a professor," says Canadian writer John Ralston Saul. "I don't want to be an expert." And in his new nonfiction book, *Vulture's Bastards*, a wide-ranging, eclectic take on the (mis)use of reason—and what he sees as the decline of common sense—in Western society, Saul takes on the "experts." "I thought I would write a book," the 46-year-old author told *Maclean's*, "which would be the sort of book you're not supposed to write: an anti-expert book, which will be hated by all the ideologues and all the beneficiaries of the system." Added Saul, who holds a PhD in history from King's College, London: "It's an astonishing society where the experts are wrong most of the time, but don't pay for being wrong."

## Blue Peter

Peter Gabriel says that five years of group therapy, as well as his divorce from wife Siobhán and failed relationship with actress Rosanna Arquette, forced him to examine the darker side of his character—"that I didn't particularly want to look at." Now, the 43-year-old English singer acknowledges that, by his own admission, he's been selfish and abusive toward his wife. "I was sort of selfish, but I was not a violent person," he said. "I was sort of selfish, but I was not a violent person."



Gabriel: 'smile at the end of it'

## A SMASHING SUCCESS

After six years on the pro circuit, 27-year-old Patricia H. of Richmond Hill, near Toronto, is finally hitting her stride. At the U.S. Open last week, 2005-ranked By outstroked No. 6, Jennifer Capriati, and No. 13, Venus

Williams, to make the quarterfinal—only the third Canadian woman to reach that level in a Grand Slam event. She was finally eliminated by top-seeded Monica Seles. By said, she and coach Yves Roques, 38, "have done a lot of changing around, like a renovation of a house. We worked



By: 'mental strength'

on my mental strength." That helped in her earlier upsets, she said, but the fanfare that followed took its toll in her final match. By, a native of Canada whose parents live in Vancouver, is planning to marry Roques, but they have not set a wedding date. Explained By: "I'm still waiting for him to meet my mom."

# HELP FOR THE HEART

**A STUDY LINKING IRON IN BLOOD TO HEART DISEASE OFFERS HOPE FOR DETECTION AND PREVENTION**

On a cold, misty day in January, 1991, Peter Drog walked home from his office in downtown Buffalo, poured himself a drink and began to change his clothes. The 62-year-old executive with Natural Sea Products Ltd. was en route to his car when he collapsed onto a chair, gasped out—and nearly died of a heart attack. By the time ambulance attendants wheeled him out of his home, his heart had not functioned for about 10 minutes. Doctors revived him and 13 days later performed a life-saving bypass operation, taking blood vessels from other parts of his body to replace the clogged coronary arteries that had caused his heart attack. Drog says that were there, he has completely recovered. Still, the

experience has left him paying closer attention to his diet and staying abreast of medical research into heart disease. As a result, Drog said that he was intrigued to learn last week that Finnish researchers had reported a link between coronary heart disease and the buildup in some individuals of iron, a mineral long regarded as essential to human health. Said Drog, who has reduced his consumption of fatty foods but never considered iron to be a problem: "No diologist, I need to be convinced."

Although many heart specialists and researchers were equally cautious, the Finnish study generated widespread public interest. Heart disease is the leading cause of death in most industrialized countries. In 1989, the latest year for which statistics are available, cardiovascular

disease, which includes strokes and hardening of the arteries as well as heart attacks, killed more than 70,000 Canadians. Cancer, the number 2 cause of death, claimed 50,000. Cardiovascular diseases are also Canada's single most expensive health problem. Officials at Health and Welfare Canada estimate that the direct and indirect costs of care related to heart disease, including medical treatment, lost wages and reduced productivity, exceed \$17 billion annually.

What the Finnish study, which began in 1984 and involved 1,933 men, showed that men who had high levels of iron stored in their bodies were more likely to suffer from heart disease than men with lower levels. After pointing to a link between iron levels in the body and the risk of heart disease, the study appeared to vindicate the work of Jussi Salonen, an American researcher who claimed the existence of a link 11 years ago (page 40). The Finnish findings also indicated that supplements still have only a partial knowledge of the functioning of the vital organ that has the task of supplying oxygen-rich blood to the human body (page 48). As well, the Finnish findings focused attention on other promising lines of research that are being pursued internationally and by Canadian researchers (page 47).

After the results of the controversial study were published in *Circulation*, a monthly journal of the Dallas-based American Heart Association, Dr. Julia Salonen, the Finnish doctor who directed the survey, told Merken's that his

group's findings could eventually lead Europeans and North Americans to change their diets and eating habits. Salonen said that concerns about the levels of iron in the body could lead to reductions in consumption of red meats, the main dietary source of the mineral. As well, Salonen said that doctors may begin encouraging their patients to drink several times a year to keep their iron levels lower. Said Salonen of the apparent relationship between iron and heart attacks: "This is a truly new finding. It has already led to new research by other investigators."

The study also appeared to challenge conventional medical ideas about the role of iron in the human body—and widely accepted theories about the causes of heart disease. Most doctors maintain that dietary iron is an essential source of energy for human beings, and sometimes recommend non-prescription iron supplements for patients suffering from anemia. As well, Health and Welfare Canada and the Food and Nutrition Board of the National Academy of Sciences in the United States both publish recommended daily levels of iron intake, which vary according to sex, age and weight. (11 The same issue, the March/April 1992 health-care industry has developed dozens of products, mostly in tablet form, aimed at providing the "optimal" and "correct" iron intake, considered necessary for good health.

According to Douglas Cox, vice-president of marketing services with Pittsburgh-based SmithKline Beecham Consumer Products Co., which produces Geritol tablets, Americans spend about \$550 million annually on those and similar products, which are known as multiple vitamins/mineral supplements. Cox said that Geritol, which has been on the market for more than 50 years, originally contained only iron, but now consists of about 30 vitamins and minerals, including zinc, copper, zinc and magnesium. Cox said that the firm will wait for the results of further research before it considers removing iron from its Geritol tablets. Said SmithKline clinical research associate Charles Shughrue: "We have absolutely no plans to reformulate Geritol in response to the Finnish study."

For their part, most heart specialists said that the Finnish findings would have to be independently confirmed by other researchers before they will fully accept the suggestion that dietary iron can cause heart disease. However, the Finnish study had several strengths. It was aimed at the attribution of most experts that smoking, obesity and excessive consumption of fatty foods, including some meats and dairy products, are the principal behavioral causes of heart disease. Said Dr. Wilbert Koss, director-general of the University of Ottawa Heart Institute and one of Canada's leading heart surgeons: "There is no question that the techniques involved in this study were sound and the results were published in a very, very good journal. But we have to have more research."

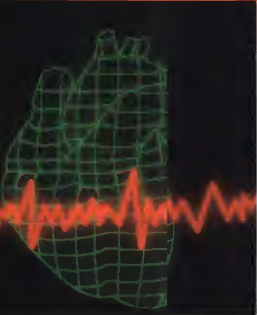
**Sharply:** Most experts note that cardiovascular death rates have fallen sharply during the past three decades as a result of other research findings, improved diagnosis and treatment, and public education campaigns. During the early 1980s, the annual mortality rate among Canadian men from heart disease was 600 per 100,000, according to figures published by Statistics Canada. By the late 1980s, the rate had fallen to about 350 per 100,000. During the same period, the mortality rate for women with heart disease declined to 200 deaths for every 100,000 women from 450.

Most heart surgeons and researchers reacted cautiously to Salonen's study not only because it raised new questions, but also because of an element of its methodology. Salonen's subjects were all from southern Finland—a region that happens to have one of the highest rates of heart disease in the world. As a result, some experts say that the outcome may only apply to that region. Said Dr. Rolf McPherson, an associate professor in the departments of cardiology and endocrinology at the University of Ottawa Heart Institute: "This theory has to be verified in a much, much larger population."

For his part, Salonen said that he decided to carry out a major study after he developed a belief that there might be a relationship between iron levels in the body and heart disease. He said that when he launched the study in 1984, he focused on southern Finland because of the high incidence of heart disease there and because the difference in the rates of heart disease among men and women is greater there than anywhere else in the world. Salonen said that he attributes the variation in male and female rates to the fact that women lose iron every month while menstruating.

Before launching his research, Salonen said, he studied scientific journals devoted to coronary research and discovered that his theory had already been discussed. He said that he then turned to his former researcher Jussi Salonen developed the same theory a decade ago. But fellow experts rejected his explanation for research grants to examine it, and two prominent scientific journals turned down his articles on the subject before a British journal accepted one of his studies.

Indeed, the possibility that excess amounts of dietary iron may be harmful to human health aspects a dramatically new element into theories



chest heart disease—and contradicts most conventional views about nutrition. Professor Berloff, a nutritionist at Toronto's Mount Sinai Hospital and co-author of the 1986 book *Power Eating*, says that iron is a necessary component to the production of hemoglobin, a protein in red blood cells that carries oxygen to various parts of the body. Shortages of iron can cause fatigue or even anemia. Berloff added that women frequently need to adjust their diets and increase their iron intake to make up for losses of the mineral through menstruation.

"We seldom have a case where a person has too much dietary iron," she said. "I usually see people who don't have enough."

**Nutrition:** Dietary iron is readily available. Red meats and particularly organ meats from kidneys and livers, are the primary dietary sources for most North Americans. But iron is also found in eggs, such dried fruits as raisins and prunes, and in leafy green vegetables including spinach and broccoli. As well, flour and breakfast cereal producers frequently enrich their products by adding iron to make them more nutritious and promote appeal, to consumers. Berloff said that she does not recommend the use of iron supplement pills. Instead, she said that people suffering from fatigue should have their iron levels assessed by a doctor, and then try to correct the problem by changing their diet.

Doctors have known for some time that extreme iron overload—in amounts beyond the levels arrived at Solomon's study—can cause fatal heart disease. Dr. Peter Liu, a cardiologist at The Toronto Hospital, said that for several years he has been involved in treating children and adults who suffer from congenital anemia and who require frequent blood transfusions. Liu said that in the past, the transfusions caused a buildup of iron in the recipient's body. He noted overtly the children died of heart failure in their mid- to late teens. Now, he said, drugs have been developed to remove the excess iron, and youngsters can expect to reach adulthood and live until at least 30.

Panick Liu said that the children were suffering from heart failure because the body naturally deposits excess iron in the heart, liver or pancreas. He said that iron actually reacts with oxygen in the bloodstream in a process called oxidation. But when excess iron is present, the oxidation process occurs at a much higher rate than normal, leading to the formation of chemicals including superoxide anions called "free radicals." Liu, who likened the story electrons to "energetic and troublemaking bananas," said that they punch holes in the walls of cells to react with protein molecules inside. Those molecules, in turn, take on the character of the free radicals and then destroy red blood cells. As a result, in children suffering from congenital anemia, the destruction of cells can eventually weaken the heart to the point where it can no longer function—causing death.

Said Liu, adding that the deadly effects of iron overload did not appear to further evidence of a link between iron levels and heart

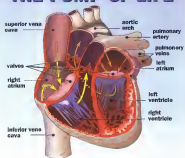


Solomon's concerns about iron could lead to reduced consumption of red meat

disease. He said that in congenital anemia cases, the iron directly caused damage to the heart cells, while Solomon's study appeared to indicate that iron buildup in bodies could encourage the entry of cholesterol into artery

walls. Liu said that Solomon's work has only established that there is a statistical correlation between levels of iron and heart attacks, because the men in the study who were most prone to heart disease usually had higher levels

## THE PUMP OF LIFE



The human heart is a complex four-chambered organ that pumps deoxygenated blood from the veins to the lungs (yellow arrows) to pick up new oxygen, then into the arterial network to the rest of the body (orange arrows).

of stored iron in their bodies. But Liu and other experts said that it will take further research to determine whether excess iron in itself causes heart attacks.

In the past much of the research on diet and heart disease has been focused on the production and effects of cholesterol, which has been generally regarded as the chief cause of clogged arteries and heart attacks. The University of Ottawa's McPherson, who is currently conducting cholesterol research, said that the body actually produces cholesterol, while it uses in the formation of several hormones, including those that lead to the expression of male and female sexual characteristics. But the consumption of such fatty foods as butter, cheese and certain meats also increases the level of cholesterol in the blood. She added that research has shown that because of the diversity of male and female sexual characteristics, many Canadians have more in common cholesterol in their bloodstreams as they require. The excess cholesterol tends to build up dangerously along the walls of arteries and blood vessels throughout the body, she said.

According to Dr. Malcolm Arnold, a cardiologist at the Victoria Hospital in London, Ont., doctors have three main methods of treating patients who have suffered coronary heart disease, depending upon the severity of the problem. He said that most doctors conduct tests to determine if drug therapy alone is sufficient to promote healing of the damaged heart and to prevent a recurrence of an attack. If drugs cannot solve the problem, the next step is to consider an angioplasty, a technique in which a tube is inserted into a coronary artery and a balloon is inflated to prevent a recurrence of an attack. If drugs cannot solve the problem, the next step is to consider an angioplasty, a technique in which a tube is inserted into a coronary artery and a balloon is inflated to prevent a recurrence of an attack. If drugs cannot solve the problem, the next step is to consider an angioplasty, a technique in which a tube is inserted into a coronary artery and a balloon is inflated to prevent a recurrence of an attack.

During the past decade, angioplasty has become an increasingly popular method of treating heart disease, and doctors across Canada now perform approximately 7,000 annually, compared with only 500 a year in the early 1980s.

**Said:** Dr. Liu, another cardiologist at London's Victoria Hospital, said that since 1988, cardiologists at six heart centres across Canada have been testing an implant device known as a stent, which was developed to overcome the shortcomings of angioplasty. Penn described the stent as a tiny mesh scaffold, which is implanted inside a cholesterol-clogged artery to keep it open. He said that the benefits of angioplasty are frequently short-lived because arteries tend, or return to their original constricted condition.

Penn added that if the patient's condition cannot be stabilized by repeated balloon catheters, then bypass heart surgery is often the

next step. But there is also a risk involved in using the stent in up to 10 per cent of patients. Blood clots have formed around the device and cause a heart attack.

**Drill:** Penn said that he is currently testing a technique that could be used in cases when cholesterol deposits are so hard that an angioplasty balloon cannot open the blood vessel. It is a tiny drill called a rotablator, which rotates at a speed of 380,000 revolutions per minute. A surgeon can insert it into a vessel where it can actually chip away at the hardened buildup of plaque layers with cholesterol without cutting into soft arterial tissue. Penn said that he has tested the rotablator on about 50 patients. He said that he plans to describe the results at a meeting of the Canadian Cardiovascular Society in Ottawa next month.

But drug therapy or angioplasty are successful, heart surgeons have to perform the



Glitching blood: more research may determine whether excess iron causes heart disease

coronary bypass operation. In 1988-1989, the latest year for which figures are available, there were 16,922 bypass operations in Canada, up from 7,625 in 1981-1982. Dr. Penn Leitch, head of surgery at the Montreal Heart Institute, said that the next surgery on well at the centre perform 1,500 bypasses annually, an average of almost five every working day.

Leitch explained that before 1980, surgeons commonly would take a section of a blood vessel from a patient's thigh or leg and use it to replace a clogged artery near the heart. But he said that now, doctors usually graft an artery from the patient's chest, because research and simple experience have shown that such vessels remain open longer than would a vein from the lower extremities. He added that most bypass patients at the Montreal hospital are over 60 and that most

are able to resume a normal life eight to 10 weeks after their surgery.

Those in another, more extreme, treatment for heart disease—the transplant, still relatively rare because of the difficulties in finding donors and waiting times with appropriate patients. Koon said that the Ottawa Heart Institute performs about 30 transplants a year, more than any of the five other Canadian heart centres where the procedure is available. He added that since 1986, the Ottawa Institute has been involved in a joint project with researchers at the University of Utah to develop an artificial heart. He said that they recently installed a working model, which at close to \$300,000, is a suit, and are testing it for durability, but that the device may not be ready for use in humans until the turn of the century.

Meanwhile, heart disease research will continue to consume hundreds of millions of dollars

annually as scientists try to gain new insights into the causes of the disease and develop new techniques for treating it. Many experts say that the link between iron and heart disease is unproven; it could lead to a whole new field of heart research. Despite the gains in prevention, diagnosis and treatment heart disease can still strike with a suddenness, and a severity, that surprises even veteran surgeons. Said Koon: "We see many, many people who die of heart attacks every year who have nothing the wrong with them." Indeed, for many surgeons, it is that tragic waste of human life that drives their search for the causes and cures of North America's biggest killer.

D'ARCE JENNISON with JOAN LAMONT in MONTREAL and SHARON DOTY/DANIELLE in TORONTO



# PUMPING IRON

## A PIONEER RESEARCHER CLAIMS VINDICATION

In 1993, Jerome Sullivan was working as a medical physicist in a Tampa, Fla., hospital when he began puzzling over a question that had plagued doctors before him: why is heart disease so much rarer in women than in men before middle age? Many doctors maintained that estrogen, a hormone abundant in the women that helps to regulate the menstrual cycle in women, somehow protected them from heart attacks before menopause. But Sullivan said that after he reviewed the available medical literature he became convinced that other factors were at work. Instead, he speculated that high levels of iron stored in the body contribute to heart disease, because neuro-protecting women have considerably less iron stored in their bodies than men. So Sullivan said that he tried to publish his conclusions, but two of the leading medical publications turned him down. Finally in 1993, the British medical journal *Lancet* published his article "Iron and the sex difference in heart disease risk"—with little result. "It was not with a leading journal," Sullivan said, "A lot of people must have felt I was nuts."

But last week Sullivan's theories gained new stature when *Circulation*, the respected journal of the American Heart Association, published the results of a major new study. This Circulation article described a Finnish study involving 1,826 men and showed a statistical correlation between the levels of iron in their bodies and the incidence of heart attack. The study's authors concluded that too much iron in the body caused a rise in heart attacks that was second only to smoking in terms of seriousness. The article cited Sullivan and summarized his work. Declared Sullivan, who now is a protégé of the Veterans Affairs Medical Center at Charleston, S.C.: "I feel as if I was vindicated. I am very happy to see that they took my theory seriously enough to study it."

**Present:** Still, the 47-year-old Sullivan says that more research has to be done before his theory can be accepted as proven. First, he said, other studies must substantiate the findings of the Finnish survey. As well he must address large-scale studies that he carried out to demonstrate whether lowering iron levels of the body reduces the incidence of heart disease.

In the meantime, Sullivan said that research has shown that there are reasonable steps that people can take to help lower the iron content in their bodies—and, perhaps, reduce the risk of heart attack. Sullivan said that most adult men and postmenopausal women, who suffer from heart disease at the same rate as men,

largely of Medicine in Tampa, first as a postdoc, and then as a faculty member.

While he was working in Tampa, Sullivan said, he concluded that he was in the right track when he discovered studies that showed that young women who have had pertussis infections, at which the worst risk is not the convulsions were removed, suffer from heart disease at the same rate as older women who have had natural immunity. Sullivan said that the finding indicated that something from the convulsions did not, as many experts had believed, protect women from heart attacks. On the other hand, Sullivan said, the studies pointed to a key role for the uterus, which, by shedding blood each month in women who are not pregnant, reduces iron levels.

**Skeptical:** Despite being skeptical, Sullivan said that he pursued his theory about iron because it seemed to explain so many different findings. In many *Time* Week articles, said Sullivan, men tend to have fewer heart problems than men of the same age in industrialized countries. The reason, Sullivan said, may be that industrialized countries strip people carry industrial poisons that raise the level of blood, preventing iron buildup.

Though he may now have been vindicated, Sullivan acknowledged that he would have liked to have carried out more original research of his own. But he said that he was never able to obtain sufficient funding. The only support he has received, he said, is from the Department of Veterans Affairs, for whom he has worked since 1984. As part of his work as a laboratory pathologist studying donated tissue, in particular heart marrow, he has been able sometimes to examine the risk that men play. He admits that, since, as a pathologist, he has children ranging in age from six months to nine years. Sullivan also has a 16-year-old daughter from a previous marriage. His work, and perhaps by being up five children, has left him little spare time. But any extra time he has, he said, he spends "reading about iron." Added Sullivan: "It is my recreation. I know something new every week." The publication of the Finnish study likely will interest Sullivan with long-range exploring the mysterious properties of iron.



Sullivan in Charleston lab: 'people felt I was nuts'

should consider donating blood several times a year. As well, Sullivan said that people should not routinely take iron supplements, even those who have most of the milder different types of anemia. "Only iron-deficient anemias are helped by iron supplements," he said. "That needs to be evaluated by your doctor."

Sullivan has pursued his cause with single-minded intensity. Born in Deltona, Fla., he graduated in 1976 with a PhD in cell biology from Florida State University in Tallahassee. In 1978 he graduated as a medical doctor from the University of Florida in Gainesville. Then he joined the University of South Florida Col-

lege of Medicine in Tampa, first as a postdoc, and then as a faculty member. While he was working in Tampa, Sullivan said, he concluded that he was in the right track when he discovered studies that showed that young women who have had pertussis infections, at which the worst risk is not the convulsions were removed, suffer from heart disease at the same rate as older women who have had natural immunity. Sullivan said that the finding indicated that something from the convulsions did not, as many experts had believed, protect women from heart attacks. On the other hand, Sullivan said, the studies pointed to a key role for the uterus, which, by shedding blood each month in women who are not pregnant, reduces iron levels.

BARBARA WICKMAN

Like many other researchers in his field, biochemist Carl Brockbridge says that Canadians have mostly themselves to blame for their abnormally high rates of heart disease. Brockbridge, 50, who is head of the department of biochemistry at Dalhousie University in Halifax, says that most people can reduce the risk of heart attack or stroke by quitting smoking, eating fewer fatty substances and exercising regularly. But unlike most of his colleagues, Brockbridge also says that governments with limited budgets should target prevention campaigns at individuals who have abnormal characteristics that put them at a high risk of developing heart problems, rather than the population as a whole. Brockbridge reached that conclusion after 20 years of research, during which he has focused on what he and many other scientists suspect is one of the main genetically inherited causes of heart disease: a tiny particle that is present in high concentrations in the blood of one in five Canadians. The substance is known as lipoprotein (LDL)—often called "bad cholesterol." The more is the inheritance of genetics and lifestyle.

In focusing on the characteristics that people inherit from their parents, Brockbridge said a small but growing number of Canadian scientists and doctors are on the leading edge of one of the dominant trends in heart research in North America and Europe. By the early 1970s, most researchers agreed that high levels of cholesterol in the blood dramatically increase the risk of suffering a heart attack or a stroke. Cholesterol is a waxy, oily substance that the body manufactures itself, but which is also absorbed from food, particularly eggs and meat. The body sends cholesterol to various parts of the body and constructs new cells. But when cholesterol deposits accumulate along the walls of arteries, they can restrict the flow of blood in the heart, increasing the risk of a heart attack.

**Disagreement:** Brockbridge and other scientists contend that LDL, which was first identified by a Swedish physician in 1953, is an efficient, potentially healthy transporter of cholesterol in the blood. Normal amounts of LDL are necessary to build up healthy cholesterol in arteries. But individuals who have excessive amounts of LDL can result in dangerous cholesterol concentrations.

Experts say that research into LDL may eventually help to explain why some people who have low levels of cholesterol in their blood suffer heart attacks in middle age, while others who have high levels of cholesterol do

# ALL IN THE FAMILY

## HEART TROUBLE CAN BE INHERITED



Brockbridge: a mixture of genetics and lifestyle

not. Carl Dr. Robert Hegele, 35, a staff physician at St. Michael's Hospital in Toronto, "In many ways we are trying to answer the old question of why Winston Churchill could eat, drink and smoke and be 90 while Arthur Ashe, the tennis player, had a heart attack when he was 30."

Brockbridge, who was born in Peterborough, Ont., and earned a PhD in biochemistry at the University of Toronto, first became interested in LDL during the early 1970s as an

assistant professor of biochemistry at U of T. At the time, Brockbridge was studying the way in which fats travel through the human bloodstream. While examining blood samples taken from patients identified by their doctors as prone candidates for heart disease, he noticed that many of them contained high concentrations of LDL. By comparing measurements of LDL concentrations from the blood of more than 50 sets of identical twins and finding that they were the same in all cases, Brockbridge concluded that elevated levels of LDL could be inherited, and not just the product of individual lifestyles.

Although he knew that high levels of lipoproteins in inherited trait, genetic sources at the time was not advanced as it is today, and Brockbridge did not try to identify the gene responsible for producing LDL. But in 1987, a team of scientists working for the giant San Francisco-based biotechnology company Genentech, Inc. described the gene responsible for the production and levels of concentration of LDL in the body. Hegele, who was working at the University of Utah at Salt Lake City at the time, collaborated with the Genentech team that found the gene. Hegele said that Genentech scientists were interested in LDL because they were trying to develop new drugs to treat the human blood and break down blood clots.

**Risk:** Brockbridge, who currently is studying LDL in Canadian patients who have normal cholesterol levels but suffered heart attacks, at relatively young ages, says that it should be possible eventually to screen young adults to determine what level of LDL concentrations they have. Once identified, high-risk patients could be counselled on how to maintain healthier lifestyles of cholesterol.

Still, other experts say that such a narrowly focused strategy might miss the wrong signals and result in more heart attacks among lower-risk segments of the population. Dr. John J. Albers, a professor of epidemiology at McGill University in Montreal, for one, contends that governments should encourage Canadians to lower their cholesterol levels and lead healthier lives.

Said Hegele: "You really are better to target the large group in the middle, rather than just the small number of people at the extreme end. For the moment, at least, the debate is purely theoretical. At present, low cholesterol prescriptions are equipped to carry out the complicated LDL screening procedures which, at some future time, could turn into a reliable weapon in the war against heart disease."

JUDITH DAVIS

# ANATOMY OF AN ORGAN

**MOST VICTIMS SURVIVE A FIRST HEART ATTACK**

**S**ingle as a throat but complex in its function, the heart is the hardest working organ in the human body. In a single day, it pumps about 6,000 gallons of blood through an adult body. In healthy adults, its steady beat repeats itself about 37 million times a year. Complex chemical changes within the heart's own cells create electrical impulses that initiate and pace its forceful contractions. When the heart fails, death usually follows. In normal circumstances a person can survive only a few minutes after the heart has stopped performing its critical task of delivering life-sustaining, oxygen-filled blood to the body's billions of cells.

The structure of the human heart is relatively uncomplicated. About the size of a fist, it is a hollow, two-chambered muscle located between the lungs and slightly towards the left side of the chest. Deoxygenated blood, high in carbon dioxide waste from its voyage through the body, is drawn into the right atrium of the heart through two large veins, the inferior and superior vena cavae. The blood is drawn through a valve into the right ventricle, which in turn pumps it to the lungs to be cleaned of carbon dioxide and enriched with oxygen. The pulmonary vein returns the freshened blood to the heart's two left chambers, which pump it out through the aorta, the largest artery that carries blood back to the body. The heart gets its own blood supply from the coronary arteries, which quickly branch off from the aorta.

Although the heart is susceptible to many ailments, including damage from infections such as rheumatic fever and genetic disorders such as Down's syndrome, by far the most common causes of heart disease are conditions resulting from its blood vessels. Often referred to as hardening of the arteries, atherosclerosis results from the buildup of cholesterol and other fatty deposits, called plaque, in the lining of the arteries. The plaque can hamper blood flow and damage the muscle fibers the artery walls.

**Facts:** While rarely all adults in industrialized countries have plaque deposits, some people experience an extreme buildup that eventually leads to serious—and often fatal—heart disease. Said Anthony Gotman, a Toronto cardiologist who is president of the Heart and Stroke Foundation of Canada, "We understand a lot more than we did 10 years ago about risk factors. But how they fit together is what we need to know."

Among people who die of heart problems, 80 per cent are victims of coronary heart disease. That is a dangerous, self-perpetuating condition in which plaque buildup progressively nar-



Open-heart surgery: "We understated a lot more than we did 10 years ago."

rows the coronary arteries, reducing the flow of blood to the heart. To counteract the blockage, the heart has to pump harder. As its work load increases, the heart's need for oxygen grows—but it cannot be satisfied because the coronary arteries are also clogged.

An early warning sign that such a condition exists may be an attack of angina, a sharp pain in the center of the chest following some form of stimulus, such as exercise, anger or sexual intercourse. Heavy smoking or a large meal may also trigger an episode. Doctors usually advise people with angina to make changes in their lives—giving up smoking or reducing stress—that will place them at lower risk. During the past decade, drugs designed to lower blood cholesterol have come on the market. Dr. Wilbert Koon, director-general of the University of Ottawa Heart Institute, said that the drugs are "immediately beneficial" for people with significantly elevated cholesterol levels. But he added that it was not clear whether they were useful in treating people whose cholesterol levels were only slightly elevated.

Other signs that the heart may be in trouble include the diagnosis of hypertension, or high blood pressure. A condition that affects about 1.5 million Canadians, hypertension results when arteries that control the arteries cause them to contract, increasing pressure in the circulatory system. Often hypertension may

not produce any warning symptoms—until a life-threatening heart attack or stroke occurs. Although the causes of hypertension are unclear, many medical experts say that heredity, diet and stress all appear to be involved.

**Pain:** For many people, one of the most feared consequences of heart disease is a heart attack. Although smokers, the overweight and men are at higher risk, heart attacks theoretically can strike at any time. Usually, an attack occurs when a major blood vessel serving the heart becomes blocked, often by a blood clot (also called a thrombus) that reduces the flow of blood to the heart. The result can be a possibly fatal heart attack. Although the blockage may occur suddenly, it is usually the result of atherosclerosis in the coronary arteries. A sudden exposure to an emotion, squeezing pain in the chest, sometimes radiating down the left arm.

Most victims survive their first heart attack. Treatment may include drugs and other procedures that dissolve clots, or bypass surgery that grafts sections of blood vessels from other parts of the body to create a new, unobstructed route for the blood. Most doctors say that lifestyle changes for many patients is closely linked to changes in lifestyle, including quitting smoking, eating more sensibly—and perhaps taking steps to reduce stress in the blood.

PATRICIA GREENBUSH

DANIEL DAY-LEWIS



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## When gender equality is a bad joke

BY ALLAN FOTHERINGHAM

For some time, those of us who are still sore have had the deep suspicion that the much Constitution-watching can be damaging to the brain. It is quite clear—by watching the lawyers, academics and terribly serious Ottawa pundits who have been making a living off the cottage industry that is Constitutional-bashing—that their grey matter has become seriously addled and they have lost all connection with real life.

There are two clear examples of this—not to mention the 47 taciturn examples, apparent to anyone who use recognize a red light at 30 paces. The first is the boggling promise, by several politically correct persons, that they will make sure—in fact turn into law—that exactly half the new elected senators in the new elected senate shall be of the female persuasion.

The second, proof indeed of premature senility, is the amazing announcement of Quebecer back Ben Gertz that he is retiring from the political godfathers. Brilliant! After the suffering to be done on the carpet and kick his boots as threatening to veto Quebec unless he got his useless Senate, he now decides he will turn himself into a lame duck in the end struggle on a national referendum agenda. A clear-cut. Quite clearly, the Constitution-wrestling has weakened his upper extremities.

My close friend Mike Harris, the premier of almost all of British Columbia, is of the same persuasion that he will resign that there of the six senators dispatched by his province to Ottawa will be female. Now, you must understand, I have taught Premier Mike almost everything he knows. It took me 18 minutes one Tuesday morning.

This bene scribbler authored him when he was a junior attorney at Vancouver court, a streetwise lawyer who always maintained he was a socialist while revealing a liberal who has slightly gone astray. Because with his balding head and fancy motorcycle he looks like a roadside pharmacist, he never frightens anyone and the voters think of him as unassuming.

That bene scribbler told Harris's wife one night that her inebriated husband would end up



major of Vancouver in the way to becoming the provincial head of the bar and eventually premier of the West Coast. She thought I was nuts, which indicates I knew more about her husband than she did.

Now it is Mr. Minister who is appearing nuts, promising the export of French clove within his party that he will pass a law making sure that the six day-one senators in fact will not be elected on a free vote. There of them, by decree, must be those who wear party hats.

This is gossamer supreme. I could name off the top of my head an B.C. senator—from Pat Carney to Kim Campbell to Diane Proulx to Lisa Underhill to Nancy Macdonald to Lawrence Burton—who are all brighter than the men they hang with. Under Premier Goddard, three of these wouldn't be eligible before the voters since, if there is a law dissolving three females there, perhaps must be a law dissolving three men.

Gender equality is the dream of my secular peers, but destined to be laughed out of existence because of such persons as Harcourt and the terribly logical Bob Rae of Ontario who push to cover the brink of conscious senility. (We note that the third semi-annual premier in a land where more than 50 per cent of the unemployed—and two-thirds of single-speaking Canadians—are now run by the NDP, Robert Redford Rousseau of Saskatchewan, has not opened his head on the subject, his constituents being the most politically sophisticated voters in the country, and therefore knowing poppucks when they see it.)

Since we are into nonsense, we have the felicitously disheartened Gertz, who has never met a golf course he didn't love, providing prime example of pebble dissolving. After threatening to veto any idea of Quebec as a distinct society—and giving his good friend Benoit some lectures, left-handed people, planners, those under five-foot-six and those who can't ride bicycles will demand that one perspective be taken off into the sunset on his notorious golf cart, leaving the stresses of the confusion to the puny-tipped Fred's Manning whose the accurate winds of the fit is such a wonder that he had to pull his membership before deciding whether he would support the Anne of Green Gables record.

It is entirely wrong—the pretensions by Bourgeois that this is a dull country. The Great White Waste of Time as Planet Street calls on. This is a most intriguing country, populated by politicians who are run by their wives or their secretaries or the third assistant chairperson of the Senate Republic of Lesage, guaranteeing that every secular garbage-pen hanging from the back of a truck must possess ovaries.

Premier Gertz, moving away from a light he started (and delighted the Board of Lanes Bouchard with his announcement), as of the equal logic with the NDP premiers who think the way to Valhalla is to legislate that in fact there are no differences in experience, is ineffectual, in common sense among the honorable candidates thrust in front of voters—handing out brochures at the bridge entrances leading to their elections.

It is all due, as mentioned, to Constitution overload, the 12 years in which locked up as long with one another over dual jurisdiction and not enough time that they symbolize glass over and they actually think they are coming down with the Seneca from the Mount.

Sometime has to take them out and rough them up a bit, slip them around the chops. The voters, perhaps.

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